

**QUEENSLAND GOVERNMENT
SUBMISSION TO THE
PRODUCTIVITY COMMISSION
INQUIRY INTO CHILDCARE AND EARLY
CHILDHOOD LEARNING**

Introduction

The Queensland Government supports an early childhood education and care (ECEC) system that maintains a high standard of quality, while containing red tape and keeping costs in check for families, providers and regulatory authorities.

The Productivity Commission (the Commission) draft findings reinforce the importance of quality ECEC, and the need for ongoing funding to ensure an appropriate level of service for all Australian families.

Evidence continues to demonstrate that the quality of ECEC matters, with significant and lasting impacts on children and broader social and economic benefits through:

- increased workforce participation - by enabling families to have confidence that their children are safe and receiving developmentally appropriate education and care; and
- greater productivity and reduced economic costs in the long term - consistent with evidence that quality education and care early in life leads to better health, education and employment outcomes throughout life.

High quality ECEC is a critical part of achieving the key goal of the 30-year *Queensland Plan* to reduce developmental vulnerability from the current level of 26 per cent recorded through the Australian Early Development Census (AEDC) in 2012¹.

With financial assistance from the Australian Government, Queensland has invested in programs that contribute to the accessibility and quality of ECEC, particularly in the year before formal schooling. Most notably, Queensland has made remarkable progress in increasing its kindergarten participation rate from 29% in 2008 to 97% in 2013.

The Queensland Government response to the Commission's draft report is divided into two sections:

1. regulation of ECEC services, including the National Quality Framework (NQF) and working with children checks; and
2. funding of ECEC, including Australian Government subsidies to parents and payments to the states.

Where appropriate, the Queensland response notes the Commission's corresponding draft recommendation, draft finding or request for information.

¹ Queensland five-year-olds who are developmentally vulnerable in one or more Australian Early Developmental Census domains

1 Regulation of ECEC

The Queensland Government regulates the ECEC sector through two pieces of legislation:

- the *Education and Care Services National Law (Queensland) Act 2011*– a nationally applied law that underpins the NQF for the delivery of approximately 2,701² ECEC services, typically known as long day care (LDC), kindergarten, family day care (FDC) and outside school hours care (OSHC) services.
- the Queensland *Education and Care Services Act 2013* – a state specific law that regulates service types that are not in-scope of the National Law³ and were regulated prior to it commencing (approximately 64 services)⁴. This law replaces the former *Child Care Act 2002* and has been harmonised with the National Law.

The Queensland ECEC sector has undergone significant change in recent years with the introduction of the NQF in 2012, establishing a single, integrated national regulatory model governed by the National Law and Regulations.

Under the 2014 Review of the National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care (NP NQA), Queensland is working with other jurisdictions to improve and streamline the regulatory environment surrounding the NQF without compromising on quality for families. Resulting from this review, the Queensland Government is particularly keen to see: a reduction in administrative and regulatory burden on the ECEC sector and regulatory authorities; and provision of adequate and ongoing funding for regulatory authorities to deliver on regulatory requirements.

1.1 Education and Care Services

Internationally, parents in Britain, Canada and New Zealand can access financial assistance for certain home-based care. Eligibility for financial assistance varies between countries and care characteristics, including whether the care is regulated, age of the children, qualifications required by the worker, health and safety requirements and business structure (e.g. worker employed by an organisation or directly through a family). In Australia, capped financial assistance is available to limited numbers of approved in-home care providers. This is administered by the Australian Government and not regulated under the National Law.

² National Quality Agenda IT System and Child Care Information System as at 1 August 2014

³ This includes: services funded by the Queensland Government to provide limited hours care; occasional care services; budget-based funded services that do not receive Australian Government Child Care Benefit; and early childhood education and care services that are also disability services funded under the Disability Services Act 2006.

⁴ National Quality Agenda IT System and Child Care Information System as at 1 August 2014

While there has been an increased emphasis on quality, introduction of the NQF has resulted in additional requirements for both services and regulatory authorities. The inclusion of additional services / providers such as nannies and Budget Based Funded (BBF) services under the NQF would further increase the workload for regulatory authorities already unable to meet current demands of the NQF.

Queensland notes the Commission recommends that only those who wish to receive Australian Government assistance should fall under the NQF (draft recommendation 8.5). However, even within these parameters this could equate to a large number of families becoming eligible for Early Care and Learning Subsidy (ECLS) payments and subject to regulation under the NQF over time. For example, in Queensland in 2012, 169,000 children (aged 0-12 years)⁵ were informally looked after by a grandparent and an additional 37,500 children were looked after by a non-family member⁶ (including nannies, baby sitters, friends). The number of eligible families could also increase with introduction of financial assistance to nannies and grandparent carers redirecting families currently using centre-based services to use an in-home care option. Regardless of the exact number, an increase in services to be regulated under the NQF would place significant additional resourcing pressure on regulatory authorities and related national bodies. Queensland supports consideration of these matters in the Commission's final report.

The draft report provides limited detail on how in practice nannies and grandparent carers might be regulated under the NQF. Further examination of the practicality of establishing and maintaining quality and compliance measures for this cohort is warranted in the final report.

1.1.1 Assessment and Rating

The Commission urges that the pace of assessment and rating needs to rapidly increase to ensure the ongoing credibility of the NQF. Unfortunately, assessment and rating of services commenced as a new function for regulatory authorities in 2012 and funding under the NP NQA had been determined before the assessment and rating process was trialled or finalised. Even with any streamlining of the process resulting from the 2014 Review of the NP NQA, it is evident that additional resources are needed to fulfil the requirements of this new function.

It is important to note that this new function is in addition to the monitoring and compliance functions fundamental to ensuring children's safety. The Queensland Government remains strongly

⁵ Australian Bureau of Statistics. 2012. *Childhood Education and Care, Australia, June 2011*. Canberra

⁶ Australian Bureau of Statistics. 2012. *Childhood Education and Care, Australia, June 2011*. Canberra

committed to a robust regulatory approach, particularly in regard to provider capability. This regulatory effort is complex, resource intensive and impacts on the pace of assessment and rating.

Without appropriate additional funding, any increased workload for regulatory authorities resulting from inclusion of nannies and grandparent carers within the NQF (in assessment of regulatory compliance) would further exacerbate regulatory authorities' capacity to assess and rate services.

In regard to the draft recommendation 7.6, the 2014 Review is examining the rating system to address its limitations:

- Queensland notes that an 'overall rating' can empower parents to easily gauge an overall assessment of the service's performance, but supports consideration of how the overall rating is determined (e.g. weighted scores for each element or based on proportion of all elements achieved) to ensure that the quality of a service is more accurately reflected.
- Queensland supports changing the 'Working Towards' rating as the current formula for determining 'Working Towards' (one element not met equals an overall rating of 'Working Towards') can skew the public's perception of service quality and compliance with the NQF. The current term 'Working Towards' may be misinterpreted by families as 'not compliant'. To improve understanding of the NQF and the rating system, ACECQA should take a more active role in educating parents and carers.
- Queensland notes that the 'Excellent Rating' highlights and promotes best practice within the sector and encourages aspirational goals to continually improve on service quality. If the 'Excellent Rating' is removed (draft recommendation 7.6), it is important that a mechanism remains in place to capture and promote best practice.

1.1.2 Changes to the National Quality Framework

The Commission identifies a number of standards that could be amended or removed to promote greater flexibility for services and reduce administrative burden while maintaining quality outcomes for children. Queensland is working collaboratively with other jurisdictions to address relevant issues through the 2014 Review process.

Regarding draft recommendation 7.7, Queensland has strongly advocated for removal of certified supervisor certificates. The increase in workload for regulatory authorities to approve 'Nominated Supervisors' is a compliance process with no additional benefit to the quality of care and improved outcomes for children.

In contrast, the Queensland Government, along with the Queensland ECEC sector, is opposed to the proposal to reduce qualifications such as the requirement for early childhood teachers (ECTs) and replacing diploma staff with certificate III level staff for children under three years (draft recommendation 7.2).

A key strength of the NQF is in promoting and ensuring families benefit from a qualified and skilled professional workforce with educators whose theoretical knowledge supports their practical skills.

Retaining the qualification requirements for ECTs and diploma staff contributes to effective career progression within the ECEC workforce and overall workforce professionalisation. Governments, service providers and individual ECEC workers have heavily invested in quality staffing arrangements in ECEC services. Reversing this policy is likely to be counterproductive for a sector which has already undergone significant reform. It would also adversely affect those professionals who have undertaken higher qualifications to meet the NQF requirements.

The Commission's draft recommendation 13.2 to establish a database to enable researchers to conduct longitudinal studies on such issues may have some merit. The ability to track children's outcomes (such as development, school readiness and school achievement) by the type of service and duration of engagement at a service could improve ECEC delivery and advice for parents. However, the Australian Government would need to work closely with state and territory education agencies in development and rollout of this initiative, specifically the data collection and retention components. It is likely that such a recommendation would have significant cost implications.

Studies would need to align to national research guidelines and university ethics and government agency regulatory regimes to ensure, where required, the informed and continued consent of participants and caregivers over the life of the studies. They would also benefit from the commitment of long-term funding and the inclusion of a control group where possible (e.g. for draft recommendation 5.4).

1.1.3 Kindergarten

As noted in the Commission's draft report, in Queensland the majority of kindergarten programs are delivered through LDC services. If draft recommendation 7.9 only seeks to remove services regulated by both education legislation and the National Law, a relatively low number⁷ of services in Queensland would be affected.

⁷ Approximately less than 80 services

Queensland may support removal of duplicative legislative regimes where early childhood education is being delivered in a schooling context. However, an extension of school services to include preschool/kindergarten across the board, with removal of these services from the NQF (as per draft recommendation 12.9), would represent a significant and costly shift. These costs could not be met by the state.

The draft report would benefit from further unpacking the key implications of such a move for schooling systems across Australia, including legislative, policy and curriculum implications, as well as human resources and infrastructure costs. It would be necessary, for example, to determine: the status of the kindergarten year in terms of formal schooling (e.g. whether it would become a compulsory first year of school or remain non-compulsory); whether qualification standards should differ for this cohort; and whether there would be an impact on curriculum standards and guidelines.

As noted by the Commission, Queensland's current model, which facilitates delivery of kindergarten through existing services (e.g. long day care), is already the most efficient method of kindergarten program delivery in Australia. The higher cost models tend to be those where kindergarten is delivered through the school system. It positions the government as 'enabler' rather than 'direct provider' in line with the premise of the Queensland Commission of Audit.

1.1.4 Outside School Hours Care

Across Queensland there are approximately 703 Outside School Hours Care (OSHC) services with nearly 50,000 places.

The Queensland Government promotes school autonomy and encourages schools to meet the needs of their local community, including where there is a sufficient demand for an OSHC service. When considering establishing an OSHC service, state school principals consult with the local school community to identify anticipated need and projected student numbers. Through existing policy, Queensland state schools are supported to engage an OSHC provider as an affordable service for the students and parents of the school and local community.

Prior to an OSHC service being established, consideration is given to:

- whether the school has sufficient capacity to provide access to building and resources for an OSHC service;
- future enrolment numbers in the school and the impact on future use of facilities; and
- anticipated need and projected student numbers (following consultation with the school community).

Engaging an OSHC provider is a two-step process, with the school's Parents and Citizens' (P&C) Association being invited to provide the service in the first instance. Where the P&C Association declines to provide the service, the school principal will instigate an open tender process for all providers (not-for-profit and commercial).

The Department of Education, Training and Employment has a policy that guides principal decision-making regarding engagement of an OSHC provider. The key principles are:

- OSHC is established to provide high quality education and care for students;
- access to OSHC should be equitable;
- Parents and Citizens' Associations (P&C) delivery of OSHC is encouraged;
- OSHC delivery is a collaborative partnership; and
- effective and ongoing communication between the OSHC provider and principal is vital to ensure positive outcomes for the school and the OSHC service.

The Queensland Government supports the Queensland Commission of Audit's premise that governments are enablers and do not need to directly provide services. While guidance is provided for principals to procure OSHC where it is beneficial to the community, the Queensland Government would not support additional requirements being imposed on Queensland state schools in relation to OSHC.

The incorporation of nationally consistent educator-to-child ratios and qualifications for OSHC and vacation care (draft recommendation 7.4) into the NQF and the removal of education and child-based reporting requirements for OSHC (draft recommendation 7.1) are matters for consideration in the context of the 2014 Review. Queensland notes these services are different from other ECEC services. Any additional requirements need to take the unique circumstances of OSHC into account.

1.2 Working with children checks

In Queensland, the working with children check - the 'blue card' - is a three-part system that considers past, present, and future risks:

- blue card screening to determine a person's eligibility to work with children and young people based on their known past behaviour;
- ongoing monitoring of all blue card holders and applicants which enables action to be taken to protect children and young people if the person is charged with a concerning offence; and

- mitigating future risk through the requirement for organisations providing child related services to develop and implement child and youth risk management strategies.

Administration of Queensland's Working with Children Check (blue card) system was transferred to the Public Safety Business Agency (PSBA) from 1 July 2014. The system is to be reviewed to streamline and automate processes, as part of implementation of Queensland's child protection reforms.

Options to achieve greater national consistency in relation to working with children checks have been extensively considered by the current Royal Commission into Institutional Responses to Child Sexual Abuse, including the possibility of introducing a national system. The Queensland Government response to an Issues Paper released by the Royal Commission noted the Carmody Report and the significant reforms occurring in Queensland. As a result of these reforms, the Queensland Government indicated that it could only provide in-principle support for a national system, noting that it was an ambitious proposal and required significant work to be undertaken in consultation with jurisdictions.

It should also be noted that the previous Commission for Children and Young People and Child Guardian, which incorporated Blue Card Services (now part of the PSBA), provided a detailed response (separate to the Queensland Government) to the relevant Issues Paper released by the Royal Commission advising that:

- achieving greater national consistency in relation to working with children checks is an important issue and work should be progressed as soon as possible;
- the most practical and cost-effective solution is to achieve greater national consistency across a range of minimum standards to enable individuals to be exempt from further screening when working across jurisdictions;
- implementation of a national system is likely to be an expensive solution which requires jurisdictions to reach agreement across a range of policy issues; and
- consideration should be given to the extent and size of the problem in developing the most practical and cost-effective solution.

2 Funding for ECEC

National and international research demonstrates the significant benefits quality ECEC provides to learning and development outcomes for children. As highlighted by The World Bank, *'evaluations of well-conceived programs designed to foster early development demonstrate that children who*

participate in these programs tend to be more successful in school, are more competent socially and emotionally, and show better verbal, intellectual and physical development during early childhood than those children who are not enrolled in high quality programs⁸.

However, early childhood policy and funding is hampered by fragmentation and uncertainty. There is a clear need for sustainable funding arrangements for ECEC, given the known long-term benefits for health and wellbeing, as well as the broader economic benefits including increased labour force participation.

There have been four key early childhood NPs in recent years: the NP on Early Childhood Education (NP ECE) and subsequently the NP on Universal Access to Early Childhood Education (NP UAECE); the NP NQA; and the NP on Indigenous Early Childhood Development (NP IECD).

Queensland has achieved unprecedented success through the NP ECE and NP UAECE, which have provided states and territories flexibility to deliver on the agreed outcome of universal access to kindergarten. However, relatively short timeframes and uncertainties regarding funding are significant challenges with respect to ensuring ongoing benefits from these NPs, with the NP UAECE in particular only providing funding for 18 months from July 2013 to December 2014.

Queensland welcomes the Australian Government's recent announcement that it intends to offer States and Territories an extension of the NP UAECE, with associated funding, for the 2015 calendar year. While the Queensland Government is yet to consider any formal offer, this announcement is a positive step, consistent with the draft findings of the Commission. Queensland continues to advocate for a long-term, sustainable funding arrangement to provide ongoing certainty for governments, the sector and (most importantly) families and children.

Under the NP NQA Australian Government funding beyond 2016 is uncertain. Queensland notes that the cost of regulating the ECEC sector has been significantly underestimated and funding under the existing NP does not adequately cover these additional costs.

Funding uncertainty was also an issue with the NP IECD, which expired in June 2014. Australian Government withdrawal of funding under this NP has called into question the ongoing sustainability of Child and Family Centres which provide integrated services to some of Australia's most vulnerable children and families.

Queensland has repeatedly stated that the best mechanism for ensuring sustained progress in the early years is to amalgamate early childhood NPs into a single National Agreement, with an associated Specific Purpose Payment. This is the same arrangement as for school funding. It would

provide funding certainty for governments, the sector and families, cut red tape and administrative burden and appropriately rest policy decision-making with the states and territories.

2.1 Universal access – kindergarten

As the Commission’s draft report highlights, there is strong evidence that school readiness, including cognitive development, is enhanced with participation in a kindergarten (preschool) program. The Queensland Government welcomes the Commission’s recommendation to continue Australian Government per child funding for kindergarten programs (draft recommendation 12.9).

As noted in the Introduction to this submission, Queensland has achieved tremendous outcomes through the NP UAECE in regard to kindergarten participation rates. Queensland’s successful approach to providing kindergarten through a range of services, including in a long day care (LDC) setting, has delivered universal access in an efficient and effective manner.

The Queensland Government is actively reducing red tape and would be concerned about any additional reporting burden for services that provide both a kindergarten program and childcare services. While the potential efficiency of a single child-based subsidy for child care is acknowledged, it appears that under the Commission’s proposed model LDCs would be required to manage two separate funding regimes in calculating fees for parents, with the ‘care’ component and the ‘education’ component kept administratively separate.

It also appears that the Commission’s proposed funding model which suggests removing CCB/CCR for kindergarten program hours (on page 553-555) may significantly increase out of pocket costs for families accessing kindergarten programs in LDC. This would have a flow on adverse impact for participation in kindergarten programs in Queensland, which would in turn have a disproportionate (negative) impact on future workforce participation and other social and economic benefits that accrue from ECEC services.

The Commission states that through the NP UAECE, the Australian Government supports 98 per cent of the total kindergarten costs in Queensland (page 151-152 and 154). This figure is incorrect and needs to be amended. The Queensland Government has previously provided revised data to the Productivity Commission for its Report on Government Services data collection. The revised data shows that the Queensland Government invested \$154.3 million in preschool services in 2012-13 of which the Australian Government contributed approximately 63 per cent through the NP ECE in 2012-13.

For a range of historical reasons, and the on-the-ground realities of the ECEC sector in Queensland (i.e. more than half the cohort were already attending LDC services in Queensland before the universal access reforms commenced in 2009), the majority of kindergarten programs (69 per cent⁹) are provided through LDCs.

As the Commission notes, this has ultimately resulted in the most cost efficient service model of all states and territories. The LDC model can also enable greater workforce participation because it provides wrap-around education and care to children before and after the preschool program, along with provision of education and care for younger siblings.

It is critical that any new ECEC funding model takes into account the operational imperatives of both the community and LDC service sectors as they function in Queensland. An incomplete understanding of how ECEC services are delivered in Queensland carries with it the risk of the Australian Government being drawn to new funding models not well suited to the realities of the Queensland context. This could result in unanticipated and undesirable consequences, such as increases in out of pocket expenses for parents and a decline in ECEC participation rates.

2.2 Other Education and Care Services

As outlined in the Commission's draft report, funding arrangements, including subsidies/rebates for ECEC are complex and confusing.

The Australian Government is responsible for ensuring access to affordable childcare. With Queensland's ageing population and shrinking working age population¹⁰, it is important that barriers and disincentives to parents of young children re-entering the workforce or working fulltime hours are removed. Accessing affordable childcare can assist parents who wish to return to the labour force and continue their careers.

It will also help to ensure Queensland's most disadvantaged children receive the significant benefits of attending a quality service. As demonstrated by extensive literature, the social, emotional and developmental benefits for vulnerable children attending quality ECEC increase their life chances and prepare them for kindergarten and schooling.

The Commission's funding model proposal using a 'deemed cost' of service delivery (draft recommendation 12.4 and 12.7) needs to take into account the additional costs of delivery of

⁹ ABS. 2014. *Preschool Education, Australia, 2013*. Table 5. Cat. No. 4240

¹⁰ In 1984 there was 6.6 Queenslanders of working age for each Queensland aged over 65 years, in 2014 this shrunk to 4.7 Queenslanders and by 2044 will be just 2.9 Queenslanders of working age for each Queensland aged over 65 years (Queensland Plan, 2014).

ECEC services in remote and rural locations and for children from culturally and linguistically diverse backgrounds and Aboriginal and Torres Strait Islander children.

2.2.1 Children with additional needs

Queensland welcomes provision of further support for children with additional needs. Across the state there are over 52,000 children with disability¹¹, over 35,000 Aboriginal and Torres Strait Islander children¹², and over 13,000 children from culturally and linguistically diverse backgrounds¹³.

Queensland supports draft recommendation 5.2 which seeks government planning for greater use of integrated ECEC services in disadvantaged communities. Integrated services are particularly important for Aboriginal and Torres Strait Islander families, refugee families and disadvantaged families. International and national research shows that co-located wrap around services provide tailored, intensive response to an individual or family's complex needs and culturally competent services assist disengaged families to seek the support they need.

The Queensland Child Protection Commission of Inquiry found that for many families, universal health and ECEC services at the right time will be their only contact with human services. Providing the right universal and secondary services has the potential to prevent child maltreatment and minimise the burden on child protection services, as well as promote child wellbeing and resilience.

The Queensland Government already funds integrated service delivery models through Early Years Centres and Child and Family Support Hubs. It is disappointing that the Australian Government did not commit to continued funding for Children and Family Centres (CFCs) previously funded under the NP IECD. These centres operate a successful integrated model, bringing together ECEC, family support and child and maternal health services in one location. Culturally competent CFCs are helping Aboriginal and Torres Strait Islander families with children from birth to eight years, to get the support that young children need to optimise their development.

Children with disability

A top-up subsidy for children with disability would be welcome (draft recommendation 12.6 and 12.8). However, Queensland stresses the importance that any 'deemed cost' needs to accurately reflect the true cost of service delivery and account for the variations between disability, severity,

¹¹ Aged 0-14 years. Australian Bureau of Statistics. 2013. *Disability, Ageing and Carers, Australia: Summary of Findings, 2012*. Cat. 4430.0. Canberra

¹² Aged 0-8 years. Australian Bureau of Statistics. *Census of Population and Housing, 2011*. Queensland Community Profile – Aboriginal and Torres Strait Islander Peoples (Indigenous) Profile. Canberra

¹³ Aged 0-8 years. Australian Bureau of Statistics. *Census of Population and Housing, 2011* (unpublished data).

locations and ages. Without sufficient top up funding, those services who do not have several eligible children will struggle to provide appropriate support to families.

Access to ECEC is an important issue for families of children with disability. Lack of participation in these services at an early age is a theme with families who experience crises, family breakdown and relinquishment later in childhood or adolescence. Anecdotal information provided to the Department of Communities, Child Safety and Disability Services suggests families of children with disability experience multiple barriers in accessing ECEC services, including:

- families often do not see other children with disability accessing ECEC services so are reluctant to seek enrolment;
- lack of experience and training of ECEC staff in working with children with disabilities;
- a special application process is required for an ECEC program to receive funding to provide additional supports for a child with disability to participate in an ECEC program and the time taken to get approval of this funding can delay the starting date;
- inclusion of children with disability in ECEC programs is not publicly promoted, resulting in families of children with more severe disabilities not being aware their child can be enrolled and supported; and
- there is insufficient overall funding to meet the needs of all children with disability to access ECEC services, resulting in services being rationed.

Queensland suggests consideration of a tailored process to assist those families where English is not their first language (this has been a difficulty experienced for Parent Connect¹⁴ providers).

Children at risk

It is widely recognised that participation in quality ECEC experiences can be a protective factor for children in need of protection. The Queensland Child Protection Commission of Inquiry final report recognised the critical role that quality ECEC plays in a child's development and also as an effective form of intervention for vulnerable families and in responding to risk factors for abuse. The ECEC experience can provide much needed respite for foster carers, as well as provide opportunities for support for children in care.

Timely access to quality childcare is also an important contributor to assisting women who have experienced domestic and family violence. Access to childcare may enable many women to return to

¹⁴ Parent Connect links parents of children with a disability or developmental delay to the support services they require. The initiative provides early intervention, prevention and transition support to parents of children with disability or developmental delay from birth to six years of age.

the workforce or pursue further studies, enhancing their capacity to care for themselves and their children in the long term and to escape a violent relationship.

As such, Queensland is supportive of the recommendation to provide a 100 per cent subsidy to support at risk children to access up to 100 hours of childcare per fortnight, regardless of whether the family meets the activity test. However, aspects of the Commission's proposed model (draft recommendation 12.7) need to be explored in further detail (e.g. eligibility; definition and threshold for 'at risk'; training and support; and workload implications).

The Queensland Government strongly suggests the definition of 'at risk' align with current child protection legislation across states and territories. Achieving consistency across jurisdictions may be problematic due to differences in legislation, policy and practice as to what constitutes 'at risk'.

The threshold for 'at risk' children eligible for the subsidy would also need to be in line with state and territory departments' thresholds for ongoing intervention (i.e. child in need of protection). In Queensland, this would allow for:

- the agency to determine eligibility following the completion of an Investigation and Assessment where the child is assessed as a 'child in need of protection' i.e. at risk of significant harm with no parent willing and able to protect them;
- the allocation of a case worker to determine ongoing eligibility; and
- an appropriate determination of when the child is no longer considered 'at risk' of harm and, therefore, no longer eligible for the subsidy.

ECEC services are largely provided by private organisations and staff have varying levels of skills and qualifications in child protection. Improving the sector's understanding of child protection issues will be essential to ensure the right children are provided with the right support.

The Commission's proposed model may have potential workload implications for Child Safety Officers if required to provide an assessment of a child to allow a subsidy to continue. It is unclear from the report whether the child protection agency would need to be involved in seeking approval for the subsidy. Additional workload implications may also be involved for ECEC workers to make a determination of risk, apply for the subsidy and liaise with the relevant child protection agency.

Queensland supports implementing preventative and early intervention programs. Funding for vulnerable children more generally would be welcomed. The Commission's proposed SECLS model is a tertiary approach, and only provides additional support for children who require notification to a child protection agency. Providing extra support to vulnerable families may prevent ECEC workers needing to notify a child protection agency.

Aboriginal and Torres Strait Islander communities

By 2016, Queensland will have the highest number of Aboriginal and Torres Strait Islander people of any state in Australia¹⁵. Queensland has four of Australia's six fastest growing Aboriginal and Torres Strait Islander regions¹⁶ (Brisbane, Rockhampton, Cairns-Atherton and Townsville-Mackay), all which have a projected growth rate over 3 per cent per year¹⁷. Notably, Queensland also has the highest proportion of children aged under 15 years (38 per cent)¹⁸.

In July 2013, the Queensland Government launched *Solid partners Solid futures*, an action plan for Aboriginal and Torres Strait Islander children from crayon to career. *Solid partners Solid futures* focusses on improving outcomes by working in partnership with the community, education sector, all levels of government and business to provide targeted initiatives and seamless transitions from early childhood to education, and on to employment. ECEC actions include culturally appropriate teaching, integrated early years services, and resources to support transition to formal schooling.

Queensland is currently working to improve access and participation in kindergarten through implementing the Embedding Aboriginal and Torres Strait Islander Perspectives in Early Childhood (EATSIPEC) program. EATSIPEC is a cultural competence support and guidance program for approved kindergarten program providers. Services are supported to engage Aboriginal and Torres Strait Islander families and children and deliver inclusive early childhood education programs. They work alongside EATSIPEC Project Officers to promote the importance of kindergarten to local Aboriginal and Torres Strait communities and support families with their children's transitions, first from home to kindergarten and then from kindergarten to school.

The Commission's proposed Disadvantaged Communities Program (DCP) (draft recommendation 12.6) recognises that not all communities have a viable market for ECEC and an alternative funding model is required. The Commission and BBF Review Report note that BBF services play an important role in communities, especially where they are the only childcare or early learning service.

In 2014, the Australian Government identified 68 BBF services in Queensland, including NQF regulated centre-based services, Indigenous playgroups, mobile child care services, and other services such as toy libraries. The 22 centre-based BBF services licensed under the Education and

¹⁵ Australian Bureau of Statistics. 2009. *Experimental Estimates and Projections, Aboriginal and Torres Strait Islander Australians, 1991 to 2021*. Cat. 3238.0. Canberra

¹⁶ Biddle (2013) uses the Australian Bureau of Statistics most aggregated level of geography in the Indigenous Structure within the Australian Statistical Geographic Standard. After excluding administrative regions (e.g. Jervis Bay), Biddle analyses the 37 Indigenous Regions across Australia.

¹⁷ Biddle, N. 2013. *CAEPR Indigenous Population Project 2011 Census Papers*. Paper 14. Centre for Aboriginal Economic Policy Research (CAEPR), Australian National University.

¹⁸ Australian Bureau of Statistics. 2012. *Census of Population and Housing - Counts of Aboriginal and Torres Strait Islander Australians, 2011*. Cat. 2075.0. Canberra

Care Services Law (18 of which are located in remote or very remote communities) offer a total of approximately 846 places. Queensland supports, where possible, relevant services transitioning to mainstream funding arrangements and inclusion under the National Law. However, it is important that the Commission highlights the need to identify and quantify additional associated costs to state regulatory authorities. Under the NP NQA, cost-sharing arrangements were agreed on the basis of an expected number of NQF services included in Regulatory Impact Statement modelling in 2009. BBF services were explicitly excluded from initial cost calculations and Queensland is not currently resourced to carry out NQF functions in relation to these services.

The final element of the proposed DCP recognises the importance of, and further reinforces the need for funding for integrated ECEC services. It would be appropriate to consider whether all disadvantaged communities, regardless of funding arrangement (e.g. mainstream or DCP), should be eligible to apply for coordination funding, providing these communities with the recognised benefits of wrap around, integrated services.

Other disadvantaged communities

The Commission's proposed expansion of the existing Inclusion and Professional Support Program, under an Inclusion Support Program (ISP) (draft recommendation 12.6) recognises the importance of providing financial support to build the capacity of staff, modify facilities and purchase specialised equipment to meet the needs of children with disability, Aboriginal and Torres Strait Islander children and children from culturally and linguistically diverse backgrounds.

The ISP should be flexible and take into account changing demand, the high turnover of junior staff, and barriers to attracting and retaining skilled workforce in rural and remote locations. Upskilling staff to deliver culturally competent services in Aboriginal and Torres Strait Islander and culturally and linguistically diverse communities is likely to be an ongoing need in regional, rural and remote locations where staff turnover is highest. The application process and reporting requirements should be commensurate with the size of the grant and its purpose.

Closing remarks

The Queensland Government supports a system that is reliable, equitable and accessible, and that meets the needs of Queensland families. While maintaining quality services, governments need to continue to reduce regulatory burden, red tape and prescriptive policies.

A more streamlined and less complex funding system is required. The recommendation to continue Australian Government per child funding for kindergarten programs is strongly supported and

Queensland encourages future Australian Government ECEC funding (including kindergarten payments) being combined under one overarching non-prescriptive agreement with a sustainable Specific Purpose Payment. The evidence and support for universal access is clear and families, the ECEC sector and governments are seeking certainty regarding ongoing policy and funding arrangements.

Queensland is actively participating in the 2014 Review to progress amendments to the National Law and Regulation which will have benefits for governments, services providers and families. Queensland notes that several of the Commission's draft recommendations to amend or remove aspects of the NQF will reduce some of the complexity and administrative costs, but these savings will not rapidly increase the number of assessed and rated services.

Queensland is not opposed to the suggestion that nannies and grandparent carers with appropriate qualifications should be eligible for Australian Government assistance, but is uncertain how nannies and grandparent carers could practically be regulated under the NQF and very concerned about potential resourcing implications for regulatory authorities. It is unclear the degree to which the Commission has undertaken research to identify how care arrangements that are currently informal and unfunded would transition into a formal and funded regulatory regime.

While the Queensland Government supports the exploration of ideas to increase affordability and accessibility, further consideration of the appropriateness of a regulatory regime for these inclusions is required in the final report. This is particularly relevant with respect to the associated costs for state regulatory authorities and the likelihood and nature of any potential impacts on other education and care services. Because of this omission from the draft report, it is currently difficult to estimate the real effects of regulatory cost and compliance burdens and the extent to which any benefits might outweigh costs.

Queensland continues to advocate for quality services and the evidence to date confirms that ECEC qualifications matter. Without rigorous evidence to support the lowering of educational requirements for ECEC staff, Queensland is reluctant to support the Commission's proposed changes in this regard. The state government has invested significantly in supporting the professionalisation of the ECEC sector and believes the proposed changes are likely to have negative consequences for the quality of service delivery.

The Queensland Government appreciates the detailed work of the Commission in identifying potential improvements to Australia's ECEC system and looks forward to the Commission's final report.