

ACA Position Paper

ECEC Future Directions for Australia



Australian Childcare Alliance



Contents

- 03 Introduction
- 04 Reform Goals: A Ten Year Vision For Australia's ECEC System
- 08 Putting Children's Development First
- 11 More Affordable and Accessible Early Childhood Education and Care
- 15 Sector Structure and Reform
- 16 Supporting the Early Childhood Education Workforce
- 18 Implementation of Government's Child Care Changes



Introduction

This submission was put together in the context of a “ten year vision” for Australia’s Early Childhood Education and Care (ECEC) sector.

As the national peak body in the Australian ECEC sector, the Australian Childcare Alliance (ACA) represents more than 2,500 members and approximately 360,000 families throughout Australia. We work on behalf of long day care service owners and operators, predominantly private, to ensure families have an opportunity to access affordable, quality ECEC throughout Australia.

Our national and state bodies work collaboratively with all levels of government, regulatory bodies and other stakeholders to ensure that families are supported into the future with a sustainable, affordable and viable sector. ACA is extremely proud of the ECEC sector.

We have worked tirelessly in collaboration with other peak bodies to ensure that the education and care that takes place each and every day, informed by the Early Years Learning Framework (EYLF) and the National Quality Framework (NQF), is appropriately recognised.

As the ECEC sector continues to grow in size, its benefit to young children as well as to future prospects of the Australian economy are increasingly being recognised, both by government and the general community.



Reform Goals:

A Ten Year Vision for Australia’s Early Childhood Education and Care System

ACA believes that under a government with the right policy and offering adequate financial support, within ten years Australia could be a world leader in providing high quality, affordable and accessible ECEC to the entire Australian community.

ACA believes this could be achieved by implementing or maintaining the following initiatives:

Mixed model of services

The current mixed model of service types works demonstrably well, providing families with a variety of options to suit their needs.

Long day care is a key component of the existing mix of ECEC service types – longer service operation hours meet the practical needs of working families, along with the needs of young children for a familiar, safe and reliable environment, as opposed to being shepherded from Out of School Hours Care (OSCH) services to kindergarten/preschool to OSCH services in one day.

This model also allows a private/public collaboration with regards to investment – with the private sector investing capital and the government funding families to access these services.

Regulated sector

ACA supports a regulated sector with the aim of providing the best possible start in life to Australia’s young children.

We believe a regulatory framework for the ECEC sector should:

- put the healthy development of Australia’s young children first
- support and encourage play based, experiential learning, which is delivered outside a formal ‘school’ setting in an age appropriate environment
- apply one set of national standards across the states
- encourage family engagement with their local ECEC service and their local community, to reduce social isolation and build on positive social inclusion for children from vulnerable and disadvantaged backgrounds
- enable the provision of affordable and accessible ECEC services to all families.

Working within the current regulatory framework

ACA supports the intent of the National Quality Framework (NQF), which aims for the provision of consistent, high quality Early Childhood Education and Care services nation-wide, via a set of nationally consistent standards. These standards have introduced increased educator to child ratios and increased qualifications.

ACA recommends:

- **regular reviews** of the NQF to ensure that the intended positive outcomes are quantifiable. For example, there are a range of areas within the NQF that a more formal review could potentially identify as being waste or not providing any net benefit to children and families, yet contributing to the costs of the service, and therefore the cost to families.
- that the NQF should continue to work towards a **nationally consistent** approach to the requirements set out in the National Quality Standards and the Education and Care Services National Regulations¹.

As it stands, there is a mix of different educator to child ratios per age group being applied across the various states.

ACA recommends a **nation-wide implementation of the educator to child ratios** for centre-based services set out in the table below, as prescribed in the National Quality Framework (NQF) under the National Quality Standards (NQS), and the Education and Care Services National Regulations.

ACA Recommended Educator to Child Ratios for Centre-based Services Australia-wide ²	
Age range	Ratio
Birth to 24 months	1 - 4
Children older than 24 months and younger than 36 months	1 - 5
Children older than 36 months (not including children over preschool age)	1 - 11
Children over preschool age	1 - 15

1 **Education and Care Services National Regulations** Current version for 23 December 2016 to date (accessed 25 August 2017 at 13:27) <https://www.legislation.nsw.gov.au/#/view/regulation/2011/653>

2 As set out in section 123 of the Education and Care services National Regulations

Following this theme, ACA also recommends a **nationally consistent regulatory approach to Early Childhood Teacher (ECT) requirements**. ACA recommends the removal of additional ECT requirements in NSW, which are above and beyond those specified in the NQF.

We also recommend a **nationally consistent standard regarding the qualifications requirements for early childhood educators**. For example, the NSW and SA jurisdictions do not allow a 3-month probationary period for a commencing educator within the ratio count before they need to commence a Certificate III³, ignoring the recommendation of the Productivity Commission.

- **greater government investment** in meeting the intended outcomes under the NQF including qualifications and professional development.

Greater intervention in the planning of services

ECEC services should be made available where needed, as part of good community planning, at a price that facilitates participation by all families.

The existing private/ public collaboration model (wherein the private sector provides the infrastructure and operates the services, and the government funds attendance by families) is successfully delivering high quality ECEC services, while allowing the government to focus on providing funds to families who need it most.

Better access, affordability and community inclusion could be achieved through greater intervention from planning authorities at the local, state and federal levels to allow for greater communication with individual/corporate developers looking to set up new centres. Planning authorities could seek to ensure that developers undertake due diligence by adequately researching the need for new services, taking into account the existing services in the local area, the projected population statistics, the elasticity of demand and the business model.

As an example, the Howard Government implemented a planning system that met the needs of families without costs to the tax payer.

In terms of government subsidies, ACA would support a government funding package that encouraged the development of new services **only in areas of proven need**, to ensure that existing services remain viable and ECE is maintained at an affordable level for families.

³ As set out in section 126 of the Education and Care services National Regulations

A fair, objective assessment process

ACA would like to see the assessment of the National Quality Standards (NQS) implemented in ECEC services Australia-wide in a fair, objective process which is consistent across all states/territories.

The current process is implemented by each State Government's Department of Education, each of which vary in terms of resources and interpretation of the NQS. ACA has some concerns that the current assessment process is infrequent and inconsistent across the states, and possibly across service types.

ACA would like to see an assessment and rating tool that is more frequently implemented and less open to varied interpretations.

Standardised school starting age across all states

ACA would like to see Australia's Federal and State Governments form a well-informed opinion on what would be the most appropriate standardised school starting age, encompassing the key learnings from other countries with successful Early Childhood Education and Care programs and using them as policy benchmarks.

ACA strongly recommends that **children must be at least 5 years of age by 1 January in their first year of formal schooling.**

Equitable government funding distribution models

ACA would like to see a government funding model that:

- recognises the value of high quality ECEC in giving our children the best possible start in life, and puts the development of Australia's young children first
- allows all children from all backgrounds to access at least **30 hours of subsidised ECEC per week**
- builds on the framework of the current centre-based long day care services as an equal partner in the delivery of early education in the two years leading up to the commencement of school
- ensures that all Australian children receive the benefit of quality ECEC, in their two years leading up to the commencement of school
- adequately assesses individual family circumstances and provides appropriate levels of subsidies according to their needs
- takes into account increases in operating costs, whatever the external triggers may be
- ensures that any funding follows the child via the ECEC service for an equitable outcome, rather than distributed to the states/territories for distribution at their discretion
- reviews funding applications from newly built ECEC services, ensuring approval is prioritised to those new services being built in areas of proven need.

Putting Children's Development First

Are there particular cohorts of children who are being let down by our current system?

According to the Australian Early Development Census (AEDC) 2015⁴, 22% of Australian children have been identified as developmentally vulnerable on one or more domain (that is physically, socially, emotionally, or in terms of language and/or communications skills). This is a significant proportion of Australian children, with varying needs.

Children who are developmentally vulnerable are impacted by a layer of additional factors. For example, where children live can have an impact on their development. According to the AEDC, of children living in major cities, 21 per cent were developmentally vulnerable on one or more domains, compared to **47 per cent** of children in **very remote areas**.

Additionally, socio-economic status can have an impact on a child's development. Children living in the **least socio-economically disadvantaged** Australian communities were found **most likely to be on track** on each of the AEDC domains.

The same census found that **42.1%** of Aboriginal and Torres Strait Islander (ATSI) children were identified as developmentally vulnerable on one or more domain.

Domestic violence also appears to be more prevalent within certain communities, such as in rural Australia and some Indigenous communities. Young people of lower socioeconomic status were about one and a half times more likely to be aware of violence towards their mothers or fathers than those from upper socioeconomic households. Indigenous youth were significantly more likely to have witnessed physical domestic violence amongst their parents or parents' partners.⁵

These statistics indicate that there are definite pockets of the Australian population that should be prioritised in their need for access to community services and support, including early childhood education.

4 The Australian Early Development Census <https://www.aedc.gov.au/>

5 Domestic Violence in Australia – An Overview of the Issues -

http://www.apf.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/BN/2011-2012/DVAustralia

In this context, under the current ECEC government funding model, there are large cohorts of children who are being let down by our existing system:

- Children whose families are ineligible for Federal Government funding
- Children whose Child Care Rebate (CCR) funding runs out during the year and who are therefore withdrawn from care
- Children from disadvantaged backgrounds with non-working parents
- Children in remote, disadvantaged and vulnerable communities
- Children from Aboriginal and Torres Strait Islander backgrounds
- Children from Cultural and Linguistically Diverse (CALD) families
- Children from families suffering domestic violence and abuse
- Children from refugee families
- Children currently in detention centres
- Children with additional needs

Under the Jobs for Families (JfF) package, ACA has concerns that these same sets of cohorts may be let down by the new child care subsidy program, with the activity test either reducing access or locking out many disadvantaged and vulnerable families out of the funding pool. Whilst the Additional Child Care Subsidy (ACCS) shows promise in recognising those families that may need subsidy support, ACA has already identified limitations to this funding.

In addition, ACA has expressed concerns that the Community Child Care Fund (CCCF), which is part of the new Child Care Safety Net, would not be made available to privately-operated Early Childhood Education and Care (ECEC) services. As a result of feedback from ACA, the government and the Department of Education and Training reconsidered its position and amended the application criteria to allow privately-operated services to apply for the various grants under the new CCCF program.

Are there ways that the Federal budget for ECEC could more effectively focus on the needs and development of Australian children?

How can early education outcomes be improved for all children?

Children with additional needs

The early identification of children with additional needs is a key factor in changing their educational trajectories.

“The early childhood years are just as important for children with disabilities and developmental delays as they are for all children. All their future development is based on the critical learning patterns laid down during this period.

The early years are also critical for the whole family. This is when families can best begin to learn how to support and nurture their child, how to meet their child's needs, and how to adapt positively to having a child with a disability or a developmental delay.”⁶

ACA believes high quality Early Childhood Education and Care includes the ability to observe and report on child behaviour and developmental milestones, in order to provide parents with meaningful feedback that allows for early intervention if necessary.

ACA recommends the implementation of a developmental health check of all children, which could be rolled out in a similar process to the early childhood health checks that are conducted Australia-wide.

More Affordable and Accessible Early Childhood Education and Care

Should children have to access an early learning entitlement?

Eg. In the UK children can access up to 30 hours a week free ECEC. In New Zealand children can access up to 20 hours a week free.

Affordable and Accessible to all

Yes. ACA implores the Australian Government and all political parties to put the concept of universally accessible Early Childhood Education and Care for all children at the forefront in any policy development. In doing so, accessibility needs to take into consideration the factors of affordability, location and inclusion.

In a country that was adequately investing in Early Childhood Education and Care, all children would have access to at least **30 hours of subsidised ECEC per week**. ACA believes that any government policy development should include this commitment to funding Australian families.

Should government incentivise new places being created in areas of need? What might that look like?

Yes – In terms of government subsidies, ACA would support a government funding package that encouraged the development of new services **only in areas of proven need**, to ensure that existing services remain viable and ECE is maintained at an affordable level for families.

This concept feeds into the ACA's recommendations about 'Greater intervention in the planning of services' on page 6 of this document. ECEC services should be made available where needed, as part of good community planning, at a price that facilitates participation by all families.

Are there effective ways to improve affordability for Australian families which are not being utilised?

How could government cap the out of pockets costs of parents, not just the government subsidy?

Affordable ECEC services

Australia's rising cost of child care and the increased financial pressure on families is not up for debate.

For all its positive outcomes, the National Quality Reform Agenda has been the most significant factor in the affordability crisis impacting families, stemming from the fact that successive governments did not provide an adequate funding framework for families in parallel with the reform agenda.

This issue is reflected in the recent HILDA Report⁷ conducted by the Melbourne Institute on behalf of the Federal Government, which reveals a drastic increase in the cost of child care since 2002; “There is little doubt that access to affordable and high-quality child care looms large in the minds of many parents with young children.”

Whilst it is hoped that the passage of legislation regarding new child care subsidies for families will have a positive impact on affordability, specific cohorts have already been identified as being worse off under the new arrangements. It is important that amendments are sought supporting a minimum level of access of Early Childhood Education and Care for all children regardless of their parents’ working circumstances.

Additionally, as outlined in the Reform Goals on page 5 of this document, the ACA would like to see a nationally consistent approach to regulation in the ECE sector. ACA has a significant concern that whilst the NQF was intended as national legislation, it is being implemented differently in each state with each lever driving costs up.

For example, the educator to child ratios vary across the states – there is a 1:4 ratio for children between 2 and 3 in Victoria and ratios of 1:10 for over 3’s in NSW, Tas, WA and SA.

NSW is also required to have significantly more qualified early childhood teachers on site than other states.

There are other examples of different applications of the regulation (NQF) which involve NSW and SA jurisdictions not allowing a 3-month probationary period for a commencing educator within the ratio count before they need to commence a Certificate III, ignoring the recommendation of the Productivity Commission.

The various levels of government often talk about the need for regulation (which drives costs up) and the need for market forces to be at play, but then talk about the possibility of capping fees – which is at odds with those first two points. As the sector is so heavily regulated, no government could entertain the notion of capping fees.

It is also impossible to truly capture the cost of the many variations in capital or lease costs around the country in a way which ensures fairness and equity and service availability and viability.

ACA believes a **government funding model that accommodates increases in operational ECEC costs (and therefore the cost to families) is essential** to ensure that families can continue to afford quality ECEC services. That is, when costs increase, such as through higher staffing requirements or changes to wages, subsidies should increase accordingly.

Reducing the administrative burden

A continued focus on reducing red tape and administrative burden in the sector should also be an important focus and an area that impacts the administrative costs of an ECEC service.

ACA continues to support improving outcomes for children accessing ECEC however it is vitally important that the impact on affordability the NQF and NQS requirements is always considered. There are a range of areas within the NQF that a more formal review could potentially identify as being waste or not providing any net benefit to children and families.

The recent focus on reporting has been welcome in identifying significant waste in the sector. Ensuring that the appropriate checks and balances are in place to eliminate such activities is important providing additional red tape does not punish the majority of providers who do the right thing.

Greater intervention in the planning of services

As previously stated on page 5 of this paper, the private/ public collaboration model (in which the private sector provides the infrastructure and operates the services, and the government funds attendance by families) works well, and allows the government to focus on providing funds to families who need it most.

ECEC services should be made available where needed, as part of good community planning, at a price that facilitates participation by all families.

Greater intervention from planning authorities at the local, state and federal levels would result in better access, affordability and community inclusion. For example, the Howard Government implemented planning systems that met the needs of families without costs to the tax payer.

A recent report⁸ commissioned by Community Early Learning Australia (CELA) concluded that the rapid growth of new larger ECEC services in areas that were already well-supplied is driving costs up and quality down. This conclusion supports anecdotal feedback from ACA members about this issue.

ACA believes the development of new services in already adequately-supplied geographic areas risks the effect of a decrease in quality of services.

To prevent this becoming a serious problem, the government could design a funding package that only provided subsidies to new services being built in areas of proven need – ensuring that existing services remain viable and ECE is maintained at an affordable level for families.

8 <https://www.cela.org.au/2017/06/16/sneak-peek-highlights-from-the-national-occupancy-survey/>

Key recommendations

- Contain costs via appropriate regulation – with a focus on reducing the administrative burden of compliance
- Ongoing government investment in the sector via appropriate targeted funding – eg Universal Access and Inclusion Support.
- Instigate a planning model that encourages private/public collaboration for investment in areas of need, and limits funding where no need is apparent

Sector Structure and Reform

What should the sector mix be in terms of operation and ownership? What role should government play in implementing this?

Integrated services

It is ACA's position that providers, by and large, respond to the needs of their community appropriately. One function that services currently provide, with no support, is linking families with other services within their community. This requires significant time investments but is also integral to building strong relationships with families. Services can also be the first point of contact in these circumstances. There is currently no coordinated point wherein families can access a range of services for their children. There exists an opportunity, whether by local government, or an allocated departmental resource to bring this level of information together, thus facilitating better and more efficient support for families or children in need.

Whilst the discussion on the need for more flexible Early Childhood Education and Care arrangements continues, this belies the fact that most trials for more flexible delivery modes have failed. The nanny pilot program, 24 hours ECEC services, and extended hours trials, have all struggled for viability due to the increased cost of service delivery out of ordinary hours. In centre based Early Childhood Education and Care services payroll expenses related to award conditions are the single biggest contributing factor making extended hours unaffordable for families.

Additionally, ACA has formed the view through anecdotal feedback from members, that the overwhelming majority of families prefer their children to be in their own home or a family member's home at night, and the demand for over-night centre-based care is extremely low.

Ultimately it is our belief that the most suitable arrangements for providing flexibility would be to better support the mixed model delivery of centre based, in home care and family day care arrangements to balance the needs of those families where flexibility is imperative.

Supporting the Early Education Workforce

How could the government most effectively address the issues affecting the early childhood education and care workforce?

There is no doubt that the key to providing long term outcomes for children rests with the quality of educators they spend their time with.

ACA recognises the importance of professional development in the ECEC sector. Given that staff working in the sector will often spend 40+ years employed, professional development is an essential tool to ensure that educators are familiar with the latest professional standards and practices, and that their skills and pedagogical practice evolve with new evidence and changing needs.

No other industry or sector in Australia would accept a set of initial training as the only requirement for workplace participation for a period of up to 40 years.

A strong system of training, through high quality VET/RTO will ensure that educators in early childhood education are well trained in delivering high quality programs and thus good outcomes for children. Courses, at whatever level (Cert III, Diploma or Degree) need to be focused on children's development and education (not documentation and compliance). Increasing practicum placement requirements would help educators develop the most important skills in their role – forming connections with children and families.

New entrants to the sector - at whatever stage in life (be it straight out of high school, or a career change later in life) should be able to spend up to 3 months in a trial role before requiring that they enrol in a course. Currently the requirement in some states to enrol in a costly course prior to commencing work is a limiting factor to finding excellent educators.

The introduction of the Long Day Care Professional Development (LDCPD) program has allowed ECEC service providers to meet their specific professional development needs to support the National Quality Framework, adhere to the National Quality Standard and deliver the Early Years Learning Framework or other approved learning framework.

During the last three years ACA has received extremely positive feedback from members regarding this program and its impact on their educators. The LDCPD Program has clearly delivered greater quality outcomes to children in ECEC services. This is reflected in the increased proportion of ECEC services meeting and exceeding the National Quality Standard, year on year, since the introduction of the LDCPD program in May 2014.

The National Training Fund (LDCPD program) ended in June 2017, but there is an ongoing need for supported training to meet the ongoing developments in this sector.

ACA therefore encourages further government investment in professional development for the ECEC sector, along with a commitment to ongoing funding, to ensure the NQF requirements for consistent high quality ECEC across Australia are met.

Implementation of Government's Child Care Changes

What implementation issues are expected to be with the government's child care changes?
How could these concerns best be addressed?

Over the last 10 years, long day care services across Australia have significantly moved from acting as 'care' facilities for working families, to providing high quality ECEC environments, meeting the needs of children and families from all backgrounds and giving them access to outcomes-based, standards-driven educational programs.

The Rudd Government's introduction of the National Quality Framework (NQF) in 2012 aimed to ensure that high quality ECEC was consistently available to families Australia-wide.

The NQF changed the regulatory landscape with additional compliance requirements such as an increase in mandatory qualifications levels for staff and increases in staffing ratios, which contributed significantly to the rising cost of child care. There can be no illusion as to the impact of the NQF on increasing cost for families. This increased regulatory requirement has impacted fees in the sector for over five years without any additional financial support for families until the introduction of the Child Care Subsidy in 2018.

Whilst the anticipated child care subsidies under Jobs for Families package will offer the majority of working families better financial support, **it will leave over 30,000 families who currently receive some level of subsidy support with none at all**; those households with one stay at home family member and an income over \$65,710 will receive no subsidy whatsoever.

This will be a devastating blow to those families and children affected. ACA is specifically concerned about the children who will no longer be eligible for government child care subsidies on July 2nd 2018, and therefore likely be withdrawn from attending Early Childhood Education and Care services.

This increased cost coupled with reduced access could significantly impact educational outcomes for these children.

ACA believes such an outcome would be a retrograde step in terms of ensuring that all Australian children have the same opportunity to benefit from high quality ECEC in their early years, for the best possible start in life.

From a service provider perspective, the limited implementation timeline provides even greater concern.

The likely need to adapt charging practices to reflect the new subsidy may pose challenges, particularly for small providers who do not have the benefit of financial advisers working to model the various scenarios that these changes will trigger.

There is also likely to be a burden on providers and centre managers in the months immediately before and after the transition date in helping families understand the impact of these changes on fees.

ACA has already made recommendations to the current government to ensure that ECEC services are provided with adequate training and educational resources, in order to allow for smooth transition into the new regime.

We will continue to engage with Simon Birmingham, Minister for Education and Training, the Department of Education and the Department of Social Services on these matters as the implementation date approaches, to ensure the best outcome for all Australian children.

Working together collaboratively

ACA believes that evidence-based policy, collaboration, and consultation are the key in designing a national ECEC system that succeeds in delivering high quality, affordable and accessible early education to all Australians, regardless of their life circumstances.

ACA endeavours to continue working with all levels of government to bring about the best outcomes for Australia's youngest generation.

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