

Hon Jay Weatherill MP



**Government
of South Australia**

Ref: 09ECD0185

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Workplace Relations References Committee
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Dear Mr Carter

I am pleased to attach a submission from the Government of South Australia in response to the inquiry into child care provision by the Senate Education, Employment and Workplace Relations References Committee.

Officials of the South Australian Government may be available to appear in support of this submission at public hearings that the Committee might conduct in relation to this inquiry.

If you have any further inquiries on this matter, please do not hesitate to contact Mr Chris Shakes, Assistant Director Policy in the Department of Education and Children's Services, on telephone (08) 82071027 or email to shakes.chris@saugov.sa.gov.au.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Jay Weatherill'.

Hon Jay Weatherill MP
MINISTER FOR EARLY CHILDHOOD DEVELOPMENT

13/6/2009

Encl

**SUBMISSION TO THE SENATE EDUCATION EMPLOYMENT AND WORKPLACE
RELATIONS COMMITTEE .**

INQUIRY INTO CHILD CARE PROVISION

FROM THE GOVERNMENT OF SOUTH AUSTRALIA

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INQUIRY TERMS OF REFERENCE

- a. the financial, social and industry impact of the ABC Learning collapse on the provision of child care in Australia;
- b. alternative options and models for the provision of child care;
- c. the role of governments at all levels in:
 - i. funding for community, not-for-profit and independent service providers,
 - ii. consistent regulatory frameworks for child care across the country,
 - iii. licensing requirements to operate child care centres,
 - iv. nationally-consistent training and qualification requirements for child care workers, and
 - v. the collection, evaluation and publishing of reliable, up-to-date data on casual and permanent child care vacancies;
- d. the feasibility for establishing a national authority to oversee the child care industry in Australia; and
- e. Other related matters.

1. INTRODUCTION

1.1 Child Care Provision and Early Childhood Development

Early experiences impact not only on the quality of life in childhood but on the social and economic outcomes for society as a whole.¹ International analyses clearly articulate that economic returns to education investments are highest when made to younger children than spending in the older years.²

Evidence attests to the lasting effects of calm, positive interactive experiences on young children. Good early experiences can maintain and increase cognitive capacity while building social and emotional skills and attitudes that will have fundamental and lasting impact on their trajectories through life.

Since the release of the report of the Ministerial Inquiry into early childhood services, *The Virtual Village: Raising a Child in the New Millennium* in 2005, the Government of South Australia has worked to reform early childhood services in South Australia on the basis of compelling evidence about the critical importance of early childhood development.

Child care services are an essential component of our early childhood development system. Governments, families, communities and employers should work together to ensure that child care is part of and integrated accessible suite of high quality services to children and families.

The opportunities for enhancing children's early development in child care settings are enormous.

If the quality of the program is high, then children and society will have immediate and lasting benefits. Conversely, if the program quality is low and, worse, if there are high levels of stress among children and staff, then both the long and short term impacts are more likely to be negative.³

High quality early childhood programs for children from birth to five years are built on:

- Well qualified staff with specific early childhood training
- Low child: staff ratios– this is especially relevant to infants and toddlers
- Small group sizes
- A purpose designed physical environment
- Strong, positive interactions and relationships between staff, children and families
- Many opportunities for children to manage and direct their own learning;
- Continuing professional development of staff^{4 5}

¹ McCain, M. & Mustard, J.F. (1999) *Reversing the real brain drain. Early years study*. Toronto, Canadian Institute of Advanced Research

² Heckman, J. & Masterov, D. (2000) *Early childhood education for all. A wise investment*. Recommendations from the Economic impacts of child care and early education: financing solutions for the future. Boston MA

³ Shonkoff, J. and Phillips, D. (2000) *From neurons to neighbourhoods: the science of early childhood development*, National Academics Press, Washington DC

⁴ Organisation for Economic Cooperation and Development (2001) *Starting Strong 1: early childhood education and care*. OECD Paris

⁵ Winter, P. (2003) *Curriculum For Babies And Toddlers* PhD thesis University of South Australia

Recent evidence from Canada also indicates that, in addition to the above factors, the non-profit status of a child care centre makes a positive contribution to quality. The number of children attending the centre can also provide an economy of scale that enables better program quality.⁶

International evidence tells us that it is often the children of unemployed or poorer working families who are most often exposed to poor quality early childhood care and education programs.⁷

Many countries are adopting approaches that combine care nurturing and learning in the one early childhood service. South Australia's Children's Centres for Early Childhood Development and Parenting are examples of this integrated approach to early childhood development. These new forms of service provision are pointing the way to a stronger, better connected and more responsive network of services for young children and their families.

Government investment in child care provision in Australia began before the importance of early experiences was fully understood. The expansion of government funded child care for the 1980's onwards was driven in large part by efforts to boost labour force participation particularly by women.

The new challenge for child care policy is to integrate this longstanding workforce participation objective with new understandings about early childhood development, which tell us what future generations of young children need in order to secure the best possible start in life.

Child care policy should be seen as one among a suite of policy areas that affect the lives of young children and families. Child care policy interacts with taxation policy, with health policy, with income support policies and with policy areas such as housing. These interactions have grown increasingly complex and difficult to analyse because policy makers do not recognise the interdependent nature of policies that affect young children and their families. A holistic approach to policy making, with knowledge about the importance of early childhood development at its core, is an important first step.

The election of the Rudd Government and the creation of a national early childhood reform agenda through the Council of Australian Governments, affords a rare opportunity to make a major generational shift in our understanding of child care provision in Australia – where child care has a clear and important role in shaping the lives of young children and families as but as part of a suite of integrated high quality universal early childhood services.

⁶ Cleveland, G. et al (2008) *New evidence about child care in Canada: use patterns, affordability and quality*. In IRPP Choices Vol 14, no 12 October 2008

⁷ Elliott, A. (2006) *Early childhood education: pathways to quality and equity for all children*. Australian Council for Educational Research Review. Melbourne

Proposal One

The Government of South Australia proposes that government responses to the collapse of ABC Learning and policy making and planning for child care provision as a whole, should be informed by new knowledge about the lasting importance of early childhood development and the critical role that child care services play in shaping the capacities of future generations of Australians.

2. RESPONSES TO THE TERMS OF REFERENCE

2.1 The Financial, Social and Industry Impact of the ABC Learning Collapse on the Provision of Child Care in Australia

2.1.1 Financial impact

The collapse of ABC Learning and its related businesses has erased shareholder value in the company, exposed financial institutions to the prospect of significant losses and jeopardised the employment of a large workforce in an industry that is of critical importance to the young children of Australia and their families.

The ABC Learning receivership process, supplemented by extra funding from the Australian Government, has reduced the proportion of ABC Learning centres whose immediate future is uncertain and lessened the direct impact of the collapse on families. In South Australia four centres have closed and eleven more are in the process of transfer to new operators who are from both the non profit and for profit sectors. .

The closure of these four centres meant that there was an immediate loss of 360 child care places to children and families in South Australia, although this has since been reduced because two centres have re-opened with new operators and a third is in the process of transfer. The owners of three of these four sites have found other childcare operators and the future of the fourth remains uncertain.

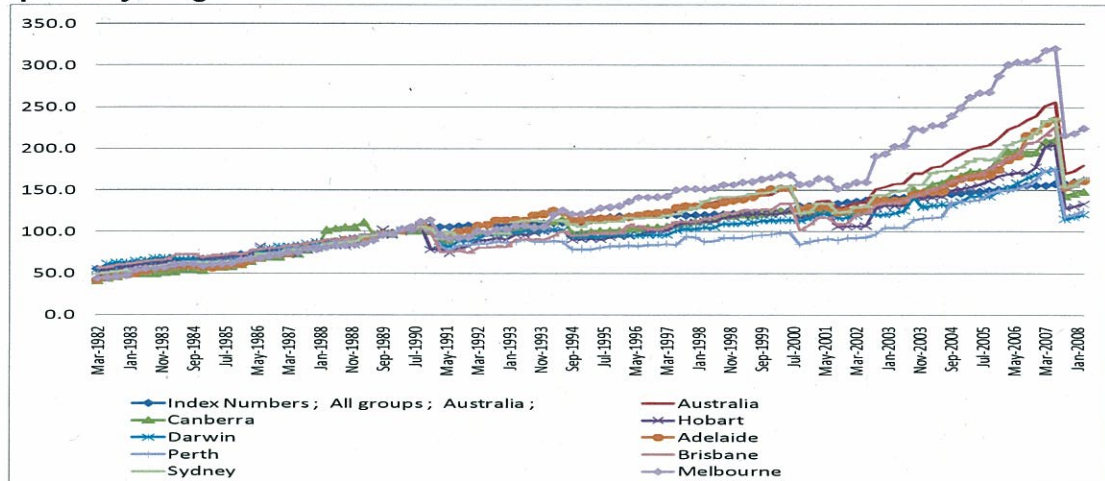
There is some anecdotal evidence that the ABC collapse has eroded the confidence of other child care centre owners, and there are signs that child care landlords and lending institutions have reduced or eliminated the flexibility that they once offered to other child care operators that might also be facing adverse business conditions. This could increase the risk of closures of child care centres that are not part of the ABC Learning group.

The Commonwealth Government's childcare subsidies offset the cost of care (Child Care Benefit) and child care out of pocket expenses (the Childcare Tax Rebate) and help to make child care more affordable for families. Access to these subsidies underpins the viability of the child care service system. The ABC Learning collapse shows that these subsidies cannot guarantee the stability and continuity of the childcare services that children and families receive.

Long terms trends in child care fees and out of pocket expenses for families also suggest that Commonwealth child care subsidies have not been able to protect families from rising child care costs.

For some years child care fees have risen faster than the cost of living. The following table shows how childcare fees have risen at a faster pace than other costs of living, until the 2008 increase in the value of the Child Care Cash rebate from 30% to 50% took effect.

Figure one Child care consumer price index, Australian and capital cities, quarterly, original⁸



Increases in the rate of Commonwealth subsidies have been followed by fee increases, and in many cases fee charging practices in child care centres have encouraged families to book subsidised hours of care that they do not need and have no intention of using.

There is a strong case for re-assessing whether the childcare subsidies, as they are currently structured, are the most cost effective means for achieving long term policy goals.

2.1.2 Social impact

The potential social impact of a corporate collapse on this scale, in this sector, is highly significant. The collapse of a single operator that controlled between 20% and 30% of the child care centre market will have short and long term consequences for young children and their families and the Australian economy.

The continued employment of working parents using ABC Learning centres would have been compromised if ABC centres had closed and alternative care was not available. Additional funding from the Australian government has reduced, but not eliminated this risk. Anecdotal evidence suggests that most South Australian families that used the four ABC Learning sites that have closed to date have been able to find alternative care. However there are a number of centres in the ABC2 group were operating in areas where no alternative care would be available if those centres closed. Other centres in the larger ABC Learning group would be in the same position if their circumstances changed.

⁸ Brennan, D. et al (2008) *A Strategic Assessment of the Children's Services Industry* Social Policy Research Centre University of New South Wales

In other locations, especially in rural South Australia, ABC Learning sites may be one of only two or three childcare centres in that community. The failure of these businesses could impact heavily on families in those communities that need childcare for work, study or respite.

In these communities, the loss of child care and the loss of employment for former ABC staff would have significant social impact.

There are immediate negative consequences when families that need child care in order to work cannot find the care that they need. In the most extreme cases, parents may be forced to reduce their working hours or leave the workforce altogether. Accurate information on ABC users is not available to parties that were not directly involved in the receivership process, but anecdotal evidence suggests that ABC Learning centres in South Australia had a high proportion of part time users, which suggests that they provided care for parents in part time employment and/or families that use a patchwork of formal and informal care to support their working arrangements.

In these circumstances the failure of ABC Learning centres would impact most heavily on families with the most marginal or least secure attachment to the workforce, that is, on families that use child care to help sustain part time or casual employment or to undertake vocational training. For families in these circumstances a reliable and affordable child care service is the key to long term sustained employment, to a successful return to work or improved employment prospects.

A child care system that is not reliable, and seen to be so by families in these circumstances, discourages workforce participation and this will have a significant impact on the wider economy.

The collapse of ABC Learning will have affected many of the children who were cared for in former ABC Learning sites. These children will have lost connections and relationships with child care staff in centres that have closed, and will have had to deal with the stresses of moving to other locations and forming new relationships with different people and other children. For some families the dislocation of childcare arrangements might have prompted them to move to their children into informal arrangements with grandparents, with other relatives or with friends. This can increase stresses within families.

Young children need security stability and predictability in their key relationships in order to thrive. A child care system that cannot deliver these three elements does not serve the needs of young children well. Circumstances that disrupt the caring relationships for young children, both within and outside families may have a negative impact on their development at a most critical time in their lives.

Access to stable high quality child care outside the family is especially important for highly vulnerable children. The social and economic costs of failing to provide childcare as part of a coordinated array of support to young vulnerable children are very high. An unstable unregulated and fragmented and increasingly expensive child care "market" cannot deliver what our most vulnerable children and families need.

Early childhood reform in South Australia aims to deliver a high quality seamless service system that integrates education and care with maternal and child health and family support. Collaboration and cooperation between

early childhood services is an essential first step in working towards this objective. ABC Learning, by contrast, was driven by the need to capture market share. Its focus on competition meant that ABC Learning centres were not connected with local early childhood service networks.

2.1.3 Industry impact

Analysis of the period leading up to the collapse of ABC Learning shows that the company continued to expand at a rapid pace in the face of worsening trading conditions. Acquisitions of existing businesses continued in spite of mounting corporate debt and significant vacancy rates in existing ABC centres. The drive for market domination is familiar scenario in the corporate sector, but the difference here is that the collapse of a company of this size, in this industry, has direct tangible consequences for children and families, as well as the wider economy.

Firstly, job losses for ABC staff could have accelerated the departure of qualified and experienced staff to leave the child care sector altogether. Rates of remuneration and working conditions in childcare centres are poor and the sector continues to suffer from long term chronic shortages of qualified staff. Many ABC personnel were also ABC shareholders, and in these cases the loss of employment will be made worse, by the loss of their personal investment in the company. Some qualified ABC personnel will have found employment in other centres that need to attract qualified staff, but others may have left the sector altogether to pursue alternative careers. Any loss of trained and qualified personnel is a significant issue for a low paid, low status sector with persistent long term shortages of trained staff.

Secondly there are signs that investor and lender confidence in child care industry has been damaged. Smaller child care operators reported tightening credit and trading conditions immediately after the ABC collapse although the global financial crisis makes it difficult to attribute this to the failure of ABC Learning. However the ABC collapse may well have altered lenders' and investors' perceptions of the child care sector and heightened risks of failure in other smaller scale childcare businesses.

Thirdly the conclusion of the receivership process for ABC Learning will also provide a picture of the relative health of, and future prospects for, not-for-profit child care provision in Australia.

The rapid expansion of ABC Learning and private child care provision has been matched by a long term decline in the proportion of Australia's children that use non-profit, community based child care centres. This is because the previous Federal government relied entirely on private sector growth and private investment, in an increasingly unregulated environment, to expand the child care sector. The not for profit sector has been unable to attract the resources that they need to retain their market share and has not been able, in most cases to take advantage of the economies of scale that are available to larger enterprises.

In South Australia, most non profit child care centres are operated by independent parent based community organisations that are responsible for one centre. These centres continue to hold a stronger market share than exists in other States and Territories. Private child care provision in South Australia represents 49.8% of total child care centre provision as opposed to

a national average of 73.1%. Community non profit provision comprises 46.9% compared to 23.9% nationally. However these centres lack access to lines of credit and the economies of scale that are available to larger multi-site private organisations or larger non government providers that operate in other states.

Single site, community based child care operators with limited borrowing power are not in a position to compete with larger competitors when they bid for former ABC sites. The South Australian experience bears this out. Nine of the eleven ABC2 sites were bought by one private sector operator (six sites) and one large non profit organisation (three sites) and the remaining two sites went to smaller for profit operators. None of the former ABC centres went to single site community based childcare operators. Policy and planning settings need to be adjusted to ensure that the locally managed not for profit child care centres continue to play a significant role.

The ABC Learning collapse shows that the child care industry and child care consumers need better protection from the fluctuations of the market place.

Proposal Two

- *The Government of South Australia proposes that Governments develop new policies instruments and processes to safeguard the future of the Australian child care system. This should include:*
- *Increasing the powers of the Australian corporate regulators to scrutinise and regulate the impact of 'creeping acquisitions';*
- *Implementing new planning processes and guidelines for child care, in collaboration with other levels of government, industry and community stakeholders, to ensure that child care places are both sustainable and focussed on areas of greatest relative need; and, in this context*
- *Acting to increase and sustain diversity in the child care sector, so that a mix of private and non profit provision is available to families; and*
- *Improve Australian Government child care subsidy arrangements so that there are stronger incentives for child care operators to care for high needs children so that high quality child care can play a critical role in safeguarding their future.*

2.2 Alternative Options and Models for the Provision of Child Care

Government private and community investment in local service infrastructure should be focussed on integrating and improving the services that young children and their families need. Each State and Territory has different challenges and opportunities, because child care and early childhood infrastructure varies from one jurisdiction to another. Each jurisdiction and each community within jurisdictions will need the freedom to tailor innovation to local circumstances.

In South Australia, Children's Centres for Early Childhood Development and Parenting combine early education and care with maternal and child health and family support services, either in one location or through 'hub and spoke' outreach arrangements. The establishment of Children's Centres is overseen by local 'enabling groups' comprised of stakeholders from government and community agencies.

In these centres, the Government's vision is to integrate child care provision with an array of services to young children and their families in local communities. Evidence shows that families prefer a seamless flexible and comprehensive array of services. International evidence shows that integrated high quality early childhood services benefit all children, and are of greatest benefit to the most vulnerable and disadvantaged children and families in our community.

Early childhood reform should integrate early childhood systems as well as early childhood services in local communities. In this context South Australia has established internal whole-of-government arrangements to oversee early childhood reform. An Inter-Ministerial Committee (IMC) on Child Development is chaired by the South Australian Minister for Early Childhood Development with representation from Ministers holding the education, health, family and community services and other relevant portfolios across government. The IMC is supported by Chief Executives and Senior Officers groups which include representation from the Australian Government.

There is a tension between strategic reforms that involve integration and collaboration across the full spectrum of early childhood services and the market driven competitive child care policies of the previous Australian government. One key challenge for early childhood reform involves the movement away from competition and fragmentation in child care, towards policies that encourage and reward collaboration within a model of provision that includes government non government and for profit child care and early childhood services.

Recent initiatives under the Council of Australian Governments (COAG) are aimed at improving the coordination and articulation between service types across early childhood education and care. New standards are under development and will apply consistently to preschool and child care services with some variations to suit the number of children and context of the service.

The development of an Early Years Learning Framework will, for the first time, provide a common national base from which every early childhood service can plan for and evaluate children's learning and development. The Framework accords high priority to the engagement of parents and families in the early learning experiences of young children.

Children and families will also benefit from a new national commitment to improving the articulation between universal targeted and intensive services for young children and their families. Systemic reform should make it easier for families to negotiate a pathway through early childhood service system. In South Australia, for example, special 'rapid response' arrangements are operating across welfare health and education systems and are delivering better access to early childhood services for children under guardianship of the Minister (State Care).

Alternative models for child care provision need to be developed in response to the best available evidence about how young children and their families are faring. In this context South Australia has started work on linked systems that will help to integrate data about young children's health development and learning that is currently collected across early childhood service systems and on implementation of the Australian Early Development Index.

Australia needs an agreed national strategy for Early Childhood Development, which includes child care as a key component. The National Strategy should also include stronger shared commitments to quality improvement and the development of the early childhood workforce, and national planning arrangements for the child care sector. This will provide a better platform for new models of child care provision across Australia. At the same time Australian governments businesses and communities need to find new avenues for investing in better services and stronger early childhood systems than has been possible under the market driven policy settings and demand side subsidies that encouraged the emergence of ABC Learning.

Proposal Three

The South Australian Government proposes that, in order to encourage growth and innovation in the child care sector, Australian governments continue to work within the early childhood reform process of the Council of Australian Governments to deliver a national Early Childhood Development Strategy that includes the child care sector.

The Strategy should include

- *A national commitment to integrated high quality early childhood and child care services as the foundation for national child care policy;*
- *A clear focus on collaboration and integration across the early childhood sector instead of competition and fragmentation in service provision; and*
- *A commitment to long term national planning for all early childhood services, including child care.*

2.3 The role of governments at all levels in

Funding for community, not-for-profit and independent service providers,

Consistent regulatory frameworks for child care across the country, licensing requirements to operate child care centres,

Nationally-consistent training and qualification requirements for child care workers,

The collection, evaluation and publishing of reliable, up-to-date data on casual and permanent child care vacancies;

The feasibility for establishing a national authority to oversee the child care industry in Australia; and Other related matters.

2.3.1 Funding for Community, Not-For-Profit and Independent Service Providers

Commonwealth government funding, in the form of Child Care Benefit and the Child Care Tax Rebate, underpins the viability of child care services in Australia and the degree of affordability for Australian families that use formal child care. The affordability is an issue for all

low to middle income families, but the trend towards rising out of pocket child care costs is especially critical for vulnerable children and most particularly of for children in out of home care.

These subsidies are demand driven, that is their level is determined by the number of hours of approved care that families use. The Australian Government does provide an array of other types of funding to childcare services whose specific circumstances require alternative approaches, often as part of a limited response to the 'market failure' of the two primary subsidies, but the level of expenditure in this area is insignificant when compared with Federal government outlays on Child Care Benefit and the Child Care Tax Rebate.

From 1983 to 1992 Commonwealth and State and Territory governments worked together, within an agreed planning and investment framework, to expand community based not for profit services for children, but there has been no collaborative program of joint investment in that sector since that time. In some jurisdictions local government or major non government organisations provided a major avenue for the expansion of child care services, while in others like South Australia not for profit child care grew through the work of local parent based management groups.

The previous Commonwealth government dismantled national planning arrangements for child care and reduced its capital assistance to non profit services. These policy settings diminished the non profit childcare sector and encouraged the growth of private for profit provision. Under these policies ABC Learning grew to become the dominant operator in the Australian child care market until its collapse in October 2008.

Most community based child care centres in South Australia were established through a partnership between the Australian and South Australian governments. The COAG commitment to a new national partnership on early childhood education indicates that there is scope to revive and re-shape and modernise partnership arrangements between governments in early childhood.

2.3.2 *Consistent Regulatory Frameworks for Child Care across the Country and Licensing Requirements to Operate Child Care Centres.*

The COAG early childhood reform process is involving all Commonwealth State and Territory governments in work towards more streamlined and better coordinated approach quality standards and regulation in child care. History has dictated that inconsistency is embedded in the current system of State and Territory regulation and Australian Government Quality Improvement and Accreditation system for child care. There are areas of 'overlap and duplication' across both levels of government, but the extent and impact of these overlaps and inconsistencies, on early childhood services - and on outcomes for children - is less clear.

The South Australian, Victorian and Australian Governments and the National Childcare Accreditation Council are currently working

together to identify the issues and inform future work on 'streamlining' the administration of the systems. Standards required by State and Territory governments across Australia vary, particularly in relation to minimum staff/child ratios and staff qualifications. This means that there is no common standard for establishing the minimum number of staff required to work with children or minimum qualification levels for early childhood workers. Extensive national consultations in August 2008 strongly supported the need for greater consistency across jurisdictions.

The COAG has agreed to develop a new National Quality Framework for care and education services for children from birth to five, which may then inform the realignment of the respective roles of the Australian and State and Territory Governments.

The challenge for all governments is to build a regulatory environment for early childhood systems that is able to integrate national consistency with context sensitivity. For example, South Australia has a highly effective curriculum framework, the *South Australian Curriculum Standards and Accountability Framework* which covers curriculum development and improvement for children and students from birth to age 18. It is mandated for Family Day Care providers, for preschools and the first years of school, and has been implemented, to varying degrees, in 70% of child care centres in this State. Other jurisdictions may have equivalent documents but each will have been designed according to the requirements of local services, the extent of penetration or take up by services will vary, and each jurisdiction will have taken different approaches to improving curriculum in early childhood services. Any future review of the responsibilities of government in this area should accommodate the need for each State and Territory to tailor regulatory and quality improvement efforts to local circumstances.

Proposal Four

The Government of South Australia proposes that the Australian and State and Territory Governments continue to progress effective early childhood curriculum, strong minimum standards, a clear focus on quality improvement and a shared commitment to improving the skills and qualifications of the early childhood workforce, within a framework that recognises that each State and Territory is at a different starting point with different opportunities and challenges and different contexts for action.

2.3.3 Nationally-Consistent Training and Qualification Requirements for Child Care Workers

At the multilateral level, the Council of Australian Governments new quality standards for early childhood education and care services should set national qualification requirements for those working in early childhood education and care services. The COAG commitment to a new Early Years Learning Framework will accentuate the importance of early learning and development across child care and preschool. It will prompt new conversations between early childhood workers in different settings about early childhood development. The Framework itself must be broad enough to have meaning for early

childhood workers with different qualifications, while creating the impetus to upgrade qualifications across the early childhood sector.

As these initiatives unfold, Australia might begin to enter an international community that is working to increase the qualifications of all people who work with young children. New Zealand, for example, is moving towards a professional early childhood workforce where everyone working with young children must be qualified. From 31 December 2007, teacher-led centre-based services were required to ensure that at least half of the total staff counted towards meeting minimum adult-child ratios held an early childhood teaching qualification. By 2010, 80% of their staff must be registered teachers, increasing to 100% by 2012, with some allowance for teachers who are already studying towards a recognised qualification. In Sweden nearly all staff have qualifications for working with children. Around half have tertiary teacher training. In the United Kingdom all Children's Centres are to be led by an Early Years Professional by 2010. By 2015 each day care centre is to be led by a graduate, with two graduates per setting in disadvantaged areas.⁹

Each State and Territory has different minimum qualifications requirements for entry level and qualified staff. For example, the diploma in children's services is seen as the major child care qualification, but some jurisdictions also recognise qualifications at Certificate III level. South Australian regulations recognise diploma-qualified staff as qualified for child care, while Queensland recognises certificate III qualified staff as having 'qualified assistant' status.

There is no national consistency in the qualifications required of pre-school teachers who are responsible for the education of children in the year before they begin school. Early childhood education degree courses covering the education of children from birth to eight (or twelve) years are covered by the standards for national consistency of teacher qualifications, but those courses which cover the birth to five years are outside the scope of these arrangements. The structure and content of courses and awards can vary widely from institution to institution and discipline to discipline.

In this context, there is substantial scope for governments to work with the providers of training for early childhood workers on a simplified clearly articulated scaffolding of qualifications for the early childhood profession as a whole, with clear pathways from entry level to doctoral qualifications.

In the report on 'The review of the current approach to the setting of Child Care National Standards' 2006,¹⁰ Collette Tayler et al state:

The research on the quality of ECEC services gives high-level attention to staff. A well educated workforce capable of addressing the

⁹ Dept for Children, Schools and Families, UK (2009) *2020 Children's and Young People's Workforce Strategy* p 46

¹⁰ Tayler et al (2006) *Review of the Current Approach to the Setting of Child Care National Standards* p167

challenges of working in a complex and demanding social milieu is seen as fundamental to maintaining standards and assuring program quality. The behaviours necessary to implement child care standards and engage in quality assurance processes depend on specialised knowledge, conceptual understanding, relational skills and professionalism.

The report recommends a system of professional registration and staff accreditation as the way forward to assure the quality of child care services. It is based on the idea of *'making the transition from high external regulation and control ... to growing the profession and aligning standards and quality processes with the kinds of quality monitoring processes observed in other professions, such as teaching, medicine, engineering, psychology, or law'*¹¹

In each of these professions on-going training and development is a condition of continuing recognition of competence. This approach could have a positive impact on the status of child care as one of a strong and connected constellation of early childhood professions, with a clear focus on children's learning and development.

The future early childhood development workforce should be cohesive and multidisciplinary. Teachers, child care workers, maternal and child health nurses, social workers, doctors and allied health staff all have a role in the learning and development of young children. Evidence shows that one clear pathway to better outcomes for children is to bring each of these disciplines together in a new shared commitment to young children. This can be made to happen during pre-service training through the delivery of common modules on early childhood development within the different professional streams, the recognition of particular specialisations such as infant mental health for awards across disciplines, and at post graduate levels through customised qualifications and awards with a trans-disciplinary focus. In the longer term early childhood reform will be best served by changes to pre-service training that emphasise common knowledge across professional disciplines and by new types of early childhood leaders who are able to work across professional domains.

In designing this new approach, governments need to consider chronic shortages of trained staff in some key parts of the early childhood sector and acknowledge the wide disparities in wages and conditions that exist between different types of early childhood services. Approximately 25% of all child care centres in South Australia have difficulty in recruiting the number of qualified diploma-level staff needed to meet licensing standards. There is also a relationship between relatively low participation in some early childhood services by children from Aboriginal and culturally and linguistically diverse backgrounds and chronic shortages of trained early childhood personnel from those backgrounds. Access to services for young children with additional needs also relies heavily on the supply of trained staff with specialist expertise.

In this context, the Australian government's commitment to HECS waivers for childcare trainees and an increase in early childhood

¹¹ Ibid. p 168

teaching places at universities is welcome. South Australia has provided scholarships for child care workers to achieve a qualification for a number of years as have some other jurisdictions. The forthcoming COAG Early Years Workforce Strategy could be the vehicle for long term improvement, provided that sufficient attention is paid to the need for an integrated properly scaffolded framework for qualifications spanning the technical and further education and university sectors.

In considering options for the future all governments must recognise that higher qualifications are most often accompanied by higher pay better status and improved working conditions. These improvements come at a cost, which is most often passed on to the end users of services.

Child care fees have already risen faster than other living costs and many families will be pressured by rising fees that flow from increased staff costs. As governments work to progress this agenda, they will need to address the risk that upgraded qualifications might add to cost burdens for low to middle income families.

South Australia is currently reviewing the South Australian Education and Children's Services Acts. The costs and benefit of the possible registration of early childhood staff are currently being assessed in that context.

Proposal Five

That Commonwealth and State and Territory Governments work, within the context afforded by the COAG commitment to a national Quality And Standards System and a national Early Years Workforce Strategy, to lift qualification levels and professional capacity of all staff working with young children.

2.3.4 The Collection, Evaluation and Publishing of Reliable, Up-To-Date Data on Casual and Permanent Child Care Vacancies

Vacancy data could serve two purposes. Firstly access to up to date information about child care vacancies can be of clear benefit to families seeking care, but only if that care is available and if families have some sense of how much the care will cost and some sense of security about the quality of the service that their children will receive.

The Australian Government has the capacity, through its childcare subsidy arrangements to collect and make this kind of information available to the public. The existing Child Care Hotline is a modest step in this direction.

Secondly this same information could be used by governments for other important purposes. Supply and demand information should underpin a new national planning system for child care where Commonwealth State and local governments and industry and community stakeholders would help to make decisions about where child care places are most needed.

The design of any new system for monitoring the relationship between supply and demand should also consider possible compliance burden on early childhood services.

Governments and communities have a shared interest in knowing how many children might need care and how many children are using child care and what impact that care is having on children and families. Current data collections can provide an approximate estimate of the relationship between supply and demand, but little or no information is collected across our child care systems on the impact of that care on children and families. The Australian Early Development Index will provide mechanism for assessing the impact of child care on children as they enter the schooling system, but there is scope for much more comprehensive and systematic approaches to collecting information on early childhood development which would aggregate de-identified data that is already collected on individual children.

Data collection on child care vacancies could inform the development of a detailed comprehensive data on the health learning and development of Australia's young children. In this context it is worth noting the COAG National Partnership on Early Childhood Education has allocated \$15m over five years to improved data and information on Australia's young children.

Proposal Six

The Government of South Australia proposes that:

The Australian Government upgrade its current information to parents on child care vacancies, costs and quality,

That this information is linked with other data sources to provide a comprehensive picture of relative supply and demand for child care across Australia,

That this data is used to inform new national planning arrangements for allocating child care places; and

That this information is included in future published data about the learning development and wellbeing of Australian children during early childhood.

2.3.5 The Feasibility of Establishing a National Authority to Oversee the Child Care Industry in Australia

The Government of South Australia is strongly committed to integrated policy and service development in early childhood development, of which child care is a key part. There is scope for:

- A national body to establish consistency and ensure that the standards in early childhood services reflect current research and thinking. Current work, under the auspices of the Council of Australian Governments (COAG) could deliver this outcome.
- A national approach to planning and service development, engaging all levels of government and local industry and community stakeholders in each State and Territory;
- A national approach to the regulation of child care businesses, with particular reference to protecting the sector from the adverse impact of reduced competition caused by creeping acquisitions and large scale business failures. Corporate regulators need to be

- able to consider the special status of the child care industry, including the potential for disruption and possible harm to families and young children when child care businesses fail;
- A coordinated approach to developing the early years workforce. Again, the current early childhood work program of the COAG and the declared intentions of the Australian and State and Territory governments need to be taken into account, as does the relationship between the national quality and standards system and the development of a skilled, highly professionalised early childhood workforce;
 - Finalisation of the national Early Childhood Development Strategy that places child care provision within a contemporary Early Childhood Development context.

Australian Governments already have the capacity to deliver on each of these fronts. Progress should come from sustained cooperation on early childhood reform over time. Maintaining the wider context for reform and oversight will be important. The future of child care provision in Australia should be considered on the basis of the contribution of the child care sector to an overarching early childhood development agenda for Australia. The Council of Australian Governments is and will remain the principal auspice for progressing collaborative national reform in early childhood. When the reform program is embedded a new Ministerial Council, focussed on early childhood development, could become the vehicle for multilateral reform.

Proposal Seven

The Government of South Australia proposes that policies on the future of child care provision in Australia should be framed, in the first instance, by the forthcoming National Early Childhood Strategy; and

That reform to child care provision in Australia should be explicitly addressed in the forward work program for that Strategy as agreed by the Council of Australian Governments.

3 CONCLUSION

Conflicting notions of 'value' - value for shareholders, lending institutions, children, families, communities, and the economy - co-exist uneasily under the existing policy settings that govern the child care sector, and this conflict inhibits the development of the sector. The financial social and industrial impact of the ABC Learning collapse will have positive long term effects if it continues to spark widespread debate about child care provision in Australia and the relative roles of various stakeholders within the mixed model of provision that characterises the sector.

The Government of South Australia sees child care provision as a key part of an early childhood development system which makes a critical contribution to the development of Australia's young children at a critical time in their lives. High quality child care is a long term investment in the human capital of future generations.

Governments need to put children families and quality first within a vision that sees child care as part of a wider system that develops human capital during the crucial early stages of life. In the longer term, our national vision should place Australia's

child care and early childhood systems on the same footing as our education system, as a universal system that serves a long term public good that is the learning and development and wellbeing of Australia's youngest children.

In this context Australia needs a national vision for early childhood development that encompasses all young children, which progressively directs public investment to areas of greatest need, which encourages growth and diversity in the non profit as well as for profit sectors and which mandates strong connections between child care providers and other early childhood services.