

## UnitingCare Children's Services Submission to the Productivity Commission Inquiry on Childcare and Early Childhood Learning



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## About UnitingCare Children's Services

UnitingCare Children's Services (UCCS) is the third largest provider of children's services in NSW, with over 55 services in NSW and the ACT. We provide quality education and care to over 6,500 children and families each year. UCCS services include long day care, preschool, outside school hours care, occasional care and integrated child and family centres.

Our purpose is to provide an educative environment that nurtures resilient and confident children through inclusive services in partnership with families and community. UCCS aims to nurture the confidence and development of children, enabling them to have the best start in their critical formative years. We value and advocate for positive early childhood education and care experiences that lead to opportunities throughout life for all children.

UCCS is part of UnitingCare Children, Young People and Families, a service group of UnitingCare NSW.ACT. The Service Group is comprised of UnitingCare Burnside, UnitingCare Unifam Counselling and Mediation, UnitingCare Disability, UCCS and the Institute of Family Practice, a registered training organisation.

Together these organisations form one of the largest providers of services to support children and families in NSW. We represent over 100 years of experience providing innovative and quality programs and advocacy to break the cycle of disadvantage that affects vulnerable children, young people and families. UnitingCare CYPF provides services across the continuum, ranging from preventative programs such as supported playgroups; early intervention programs such as Brighter Futures; intensive family support programs; out-of-home care programs and aftercare programs.

UCCS is a part of the UnitingCare Australia network, which brings together a broad range of services supporting children, young people and families across Australia. Through UnitingCare Australia networks we contribute to national policy debates on key issues that impact on children including early childhood education and care. UnitingCare provides early childhood services in every state and territory including thirty per cent delivered in regional and remote parts of Australia. UnitingCare also provides a range of other services for vulnerable children, young people and families which interface with our early childhood work.

## Executive Summary

UnitingCare Children's Services (UCCS) welcomes the opportunity to contribute to the Productivity Commission inquiry into the Early Childhood Education and Care (ECEC) sector.

Together UCCS and UnitingCare Children, Young People and Families have a long history of advocating on the importance of early childhood education and care to support children's development and wellbeing. We have previously made joint submissions to:

- the Productivity Commission's current study on the Early Childhood Development Workforce (2011)
- the NSW Standing Committee on Social Issues current inquiry on transition support for children with additional or complex needs (2011)
- the Productivity Agenda Working Group: Education, Skills, Training and Early Childhood Development on the National Quality Framework for early education and care (2008).

The National Quality Framework (NQF) and the National Quality Standard (NQS) form part of a comprehensive reform of the ECEC sector in Australia that includes a number of significant and historic agreements between State and Territory Governments through COAG. These Agreements came about after lengthy consultation with the sector and a recognition that fragmented standards, funding and regulatory systems meant that Australia was lagging behind other OECD nations in ECEC delivery. Essentially it was recognised that through patchy delivery many young children in Australia were being denied the best possible start in life.

UCCS strongly supports the NQF and the NQS. We note there has been substantial investment from government, services and the workforce in order to meet the new regulatory requirements and that the overwhelming majority are either meeting, or on the way to fulfilling relevant obligations. We see no benefit in, and strongly oppose, any potential changes to the current system that impact upon quality provisions. However, we applaud the focus of the reforms on providing the best possible outcomes for children.

While part of the current Productivity Commission inquiry focuses on the ECEC sector as a means to increase workforce participation, especially of women, this inquiry provides an opportunity to build on the broad consensus

amongst researchers, practitioners, policy-makers and politicians that quality early childhood education and care delivers significant positive benefits for children. These benefits span children's social, emotional, physical and cognitive development. ECEC can help children's transition to formal school as well as improving their life chances at school and later in life.

The longitudinal impacts of a quality ECEC system are integral to any conversation about future productivity. Economists have shown that investment in ECEC delivers economic benefits to society by creating savings on more costly intensive down-stream interventions and services. It is also clear that the benefits of quality ECEC are most significant for vulnerable and disadvantaged children.<sup>1</sup>

Given the wealth of evidence on the link between the quality provision of services and quality outcomes for children, UCCS is a strong advocate for the continuation of a national framework for the Early Childhood Education and Care sector. Together with the child and family welfare sector, UnitingCare Children's Services strongly supports the reforms under the *National Early Childhood Development Strategy – Investing in the Early Years*. Many of the reforms, that are the focus of this inquiry, were driven by sector advocacy over the last decade in order to build an ECEC system based on evidence and best practice.

Historically, Australia's investment in the ECEC sector has been low compared with other OECD countries. UCCS believes this inquiry provides an ideal opportunity to re-examine existing funding models and identify areas for increased investment to support a quality sector and greater participation, particularly for vulnerable and disadvantaged families.

Our experience with Aboriginal Child and Family Centres (ACFCs) shows how integrated services provide an excellent model for reaching children marginalised from current systems and improving child and whole-of-community outcomes in areas of disadvantage. Despite their success, viability of these services is currently under threat due to limited continued funding.

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<sup>1</sup> Heckman, J. (2006), The economics of investing in early childhood, *Prevention: Invest Now or Pay Later*, NIFTeY National Conference, Sydney 8 – 9 February 2006; Press, F., What about the kids? *Policy directions for improving the experiences of infants and young children in a changing world*, NSW Commission for Children and Young People, Commission for children and young people and child guardian, and NIFTeY.

Services with proven outcomes must be supported under long-term funding arrangements to ensure continuity and certainty for families and communities.

Outcomes for children need to remain front and centre in the debate around the future structure of the Australian ECEC sector. Focus should be on the steps needed to continue to build a robust quality national ECEC system that is both accessible and affordable. This means building on the existing strengths of the service system, and making modifications to the NQF and NQS only where they support greater adherence to best-practice, evidence-based policy.

### **Structure of this submission**

The Productivity Commission (PC) has provided a number of guiding questions across five different identified sections of the ECEC sector. Many of these are interrelated issues, and some are topics on which UCCS have no comment to make. This submission focuses only on those questions relevant to UCCS as a quality provider of a range of ECEC services. For ease we have grouped answers to relevant questions across the PC sections under distinct headings.

Our areas of focus and feedback to the inquiry are as follows:

#### **1. The impact of ECEC on outcomes for children and its significance in the productivity debate**

- Outcomes for children need to be front and centre of any system that involves ECEC
- To achieve the best outcomes for children, the Australian ECEC sector must continue to focus on quality service provision
- Debates on the productivity agenda must recognise the centrality of quality ECEC programs
- Qualified staff are key to delivering the environment and programs necessary for quality outcomes

#### **2. ECEC and integrated service delivery models: Improving outcomes for disadvantaged children and families**

- Universal ECEC service provision is key to meeting the needs of disadvantaged children



- Priority should be given to increasing access by vulnerable and disadvantaged children to ECEC services
- Greater support of integrated and co-located service models should be considered for addressing disadvantage
- Funding for Aboriginal Child and Family Centres must continue

### **3. UCCS experience of the implementation of the NQF**

- UCCS supports the quality reform agenda
- Qualified staff are the backbone of NQS implementation
- Pre-existing regulations in NSW have supported the implementation of the NQF
- NQF and NQS are driving quality improvement and professionalisation
- Professional development opportunities build on formal qualifications
- Government should focus on improving low pay in the sector

### **4. Opportunities for improving administration of the NQS**

- Assessments and ratings under the NQS are delivering positive changes to the Australian ECEC sector and should continue
- Areas for cross-jurisdictional improvements include:
  - The expansion of NQF to occasional care and mobile preschools
  - Extension of ECTs to all services irrespective of size
  - The role of Certified Supervisors should be reconsidered
  - Customer Reference Numbers (CRNs) for preschools should be changed so that services, not individuals, continue to be the body responsible for CRN registration
- Sector initiatives that drive service efficiencies: The experience of the UCCS Management Support Program

### **5. ECEC funding and costs**

- Achieving and sustaining improved access and affordability will require increased government investment
- Operational support should be provided where there is market failure
- Funding reform provides an opportunity to increase access for disadvantaged and vulnerable families

# 1. The impact of ECEC on outcomes for children and its significance in the productivity debate

*“Today’s children will become tomorrow’s citizens, workers, and parents. When we invest wisely in children and families, the next generation will pay that back through a lifetime of productivity and responsible citizenship”.<sup>2</sup>*

## **Outcomes for children need to be front and centre of any system that involves early childhood education and care**

Investment in quality early childhood education and care (ECEC) services has been consistently and universally found to result in significant positive outcomes in “virtually every facet of children’s development”.<sup>3</sup> This includes a range of indicators across the lifespan such as cognitive, mental health, educative, employment and social outcomes.

High-quality early childhood education and care can increase children’s wellbeing and learning. It can help build the foundations for children’s literacy and numeracy, improve social skills and enable early intervention for children with developmental delays that may impact on their future life chances.

The Australian ECEC sector is currently working towards a quality system that improves the long-term outcomes for children through the National Quality Framework (NQF). As the Productivity Commission (PC) inquiry assesses the relative merits of the NQF and the future of ECEC in Australia, it is vital that improving outcomes for children remain front and centre of that discussion. Outcomes for children in health, education and welfare should be the overriding considerations in shaping the policy and regulatory environment.

While UCCS recognises the important role of ECEC and other informal “childcare” services in improving workforce participation, particularly for

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<sup>2</sup> National Scientific Council on the Developing Child, 2007, *The Science of Early Childhood Development: Closing the Gap Between What We Know and What We Do*, Harvard University. P.1

<sup>3</sup> Shonkoff, J & Phillips, D. 2000(a), *From Neurons to Neighbourhoods: The Science of Early Childhood Development*, Committee on Integrating the Science of Early Childhood Development, Washington DC

women, it is essential that there is not a trade-off between provision for working parent's needs and quality. Indeed, for many parents, the ability to re-enter the workforce is assisted by the provision of quality services, and the assurances parents have that their child will be nurtured in a professional environment.

The quality of interactions between staff and children in the early years has a profound impact on children through their lifespan. Research on brain development shows that the first five years of a child's life are critical in shaping their life chances.<sup>4</sup> Positive and enriching experiences and relationships early in life are essential to healthy brain development and sets the foundation for later learning and achievement.<sup>5</sup>

National Assessment Program Literacy and Numeracy (NAPLAN) results released in October 2013 already show increased literacy and numeracy scores for year three students related to improvements in the Australian ECEC sector.<sup>6</sup> If Australia remains committed to the NQF, benefits of the early childhood reforms in Australia are expected to flow on to better primary and high school results.<sup>7</sup>

As found by Harvard University, when parents, programs and professional staff pay holistic attention to a young child's emotional, social, cognitive and literacy needs they have the maximum impact "on the development of sturdy brain architecture and preparation for success in school".<sup>8</sup> High quality early learning and care is crucial during the early years to ensure we are giving our children the best possible start in life.

Any attempts to construct an ECEC sector that does not take these critical elements into primary consideration, risks undermining the progress made by the sector so far in implementing reforms that provide for a quality framework. It would likely not deliver the raft of possible positive outcomes for children, families and the productivity of the nation as a whole.

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<sup>4</sup> National Scientific Council on the Developing Child, 2007, op. cit.

<sup>5</sup> Shonkoff, J. & Phillips, D. 2000(b), *The Science of Early Childhood Development*, National Academy Press, Washington DC

<sup>6</sup> Coulihan, B. 30 October 2013, 'COAG education reports show early childhood and year 12 are key', *The Conversation*, [accessed 4/2/2014] at < <https://theconversation.com/coag-education-reports-show-early-childhood-and-year-12-are-key-19611>>

<sup>7</sup> Ibid

<sup>8</sup> National Scientific Council on the Developing Child, 2007, op. cit. p.2

## **To achieve the best outcomes for children, the Australian ECEC sector must continue to focus on quality service provision**

Access to quality ECEC is one of the most effective ways to reduce social inequality with evidence clear that children from vulnerable and disadvantaged backgrounds have the most to gain from engagement with an ECEC program.<sup>9</sup> Longitudinal international studies have found significantly higher attainment rates across English and Mathematics in disadvantaged children who attended a preschool compared to children who had not.<sup>10</sup> Better outcomes have also consistently been found in social behaviours including self-regulation and hyperactivity.<sup>11</sup>

Studies of people who attended preschool programs across the United States, Australia and the UK found benefits more than three decades later including higher rates of health insurance coverage, lower rates of arrests, incarceration and less depressive symptoms, higher rates of full-time employment, lower rates of disability and fewer teen pregnancies.<sup>12</sup> Health messages were found to be more readily accepted in people who attended preschool, which researchers linked with better overall education and socio-economic outcomes. This in turn led to a reduction in risk behaviours including lower rates of smoking and drug use and even higher rates of seatbelt usage.<sup>13</sup>

In all of these studies, the quality of the service provided drove the rate and level of outcomes recorded. Attendance is not enough to guarantee improvements over time. Studies by the OECD and Australian researchers have found the relationship between ECEC participation and learning outcomes is strongest for those countries where ECEC is characterised by

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<sup>9</sup> Biddle, N.2011, An exploratory analysis of the longitudinal survey of Indigenous children, Centre for Aboriginal and Economic Research Policy, Australia National University, Working Paper No. 77/25

<sup>10</sup> Sammons, P. Sylva, K. Melhuish, E. Siraj-Blatchford, I. Taggart, B. Hunt, S. & Jelcic, H. 2008, 'Effective pre-school and primary education 3-11 project : Influences on children's cognitive and social development in year 6', *Department for Children, Schools and Families Research Brief*, August

<sup>11</sup> Ibid

<sup>12</sup> Reynolds, A. Temple, J. Suh-Ruh, O. Robertson, D. Mersky, J. Topitzes, J. & Niles, M. 2007, 'Effects of a school-based, early childhood intervention on adult health and well-being: A 19-year follow-up', *Australian Medical Association*, 161.8; Campbell, F. Wasik, B. Pungello, E. Burchinal, M. Barbarin, O. Kainz, K. Sparling, J. Ramey, C. 2008, 'Young adult outcomes of the Abecedarian and CARE early childhood educational interventions', *Early Childhood Research Quarterly*, 23 (452-466)

<sup>13</sup> D'Onise, McDermott & Lynch, 2010, 'Does attendance at preschool affect adult health? A systematic review', *Public Health*, 124 (500-511)

quality, including a lower staff-child ratio and teacher-directed activities.<sup>14</sup> Similarly research by the Australian Institute of Health and Welfare found that poorer outcomes are associated with early learning programs that are of poor quality, lack stability, have high staff turnover, and do not integrate families' access to programs.<sup>15</sup>

Given these outcomes are significant not only for individual achievement but for the community at large, experts point to the need to focus on building a broad system of ECEC services that sits within a quality framework.<sup>16</sup> The NQF currently provides this structure and forms a solid foundation for the future of Australia's children by creating the environment necessary for quality provision. Any consideration of changes to the current system of provision must sit within this framework or else risk creating a system of "hodge podge" provisions that do not deliver any significant long-term benefits for children.<sup>17</sup>

### **Debates on the productivity agenda must recognise the centrality of quality ECEC programs**

Economists argue that investment in ECEC delivers economic benefits to society by creating savings on more costly intensive down-stream interventions and services.<sup>18</sup> Research shows that parental employment is a positive short-term benefit of early childhood programs. However the long-term impacts of a quality ECEC system on an individual is found to generate a much higher benefits-to-costs ratio.<sup>19</sup>

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<sup>14</sup> Harrison, L. Ungerer, A. Smith, J. Zubrick, S. & Wise, S. with Press, F. Wanigangayake, M. and the LSAC Research Consortium, 2009, 'Childcare and early education in Australia: The longitudinal study of Australian Children', *Social Policy Research Paper No.40*, Australian Government Department of Families, Housing, Community Services and Indigenous Affairs, Canberra

<sup>15</sup> Harrison, L. Goldfeld, S. Metcalfe, E. & Moore, T. 2012, 'Early learning programs that promote children's developmental and educational outcomes', *Closing the Gap Clearing House Resource Sheet No.15*, Australian Institute of Health and Welfare

<sup>16</sup> Warner, M. 2009, 'Overview: Articulating the economic importance of child care for community development', *Community Development*, 37:2 (1-6)

<sup>17</sup> Stoney, L. Mitchell, A. & Warner, M. 2009, 'Smarter reform: Moving beyond single-program solutions to an early care and education system', *Community Development*, 37:2 (101-115)

<sup>18</sup> Reynolds, A. et al, 2007, Op. Cit.; Kershaw et al, 2010, 'Costs of early childhood vulnerability in Canada', *Canadian Journal of Public Health*, as quoted in State Australian Research Alliance for Children & Youth, 2013, *The Nest Action Agenda: Improving the wellbeing of Australia's Children and Youth While Growing Our GDP by Over 7%*

<sup>19</sup> Department of Education, Training and Employment (DEEWR), 2013, *Evaluation of the Early Years Centre Initiative: Summary Report*, Queensland Government, p. 10

The development of human capital through ECEC services is significant. As noted by the Queensland Government in 2013:

“Investment in early childhood programs is essentially an investment in human and social capital, which is developed through formal education and training and social interactions. Increased human capital contributes to improved workforce productivity, and, hence, economic growth”.<sup>20</sup>

Quality ECEC services are essential for future productivity considerations and cannot be considered separately from it, a fact which has been recognised by COAG through the National Partnership Agreement on Early Childhood Education and the integration of ‘early childhood development’ in COAG’s productivity agenda. As noted in COAG’s *Investing in the Early Years* paper, national efforts to improve child outcomes lead to increased human capital and productivity in Australia, better positioning our country to meet future social and economic challenges and remain internationally competitive.<sup>21</sup>

### **Providing the foundations of a quality ECEC Sector**

Research consistently shows that structural features of an early childhood setting that are associated with better child outcomes include improved staff-to-child ratios, higher staff qualifications and smaller group sizes.<sup>22</sup> This has been reiterated by Government research such as the 2013 Australian Institute of Health and Welfare *Early Learning Programs that Promote Children’s Developmental and Educational Outcomes* report.<sup>23</sup>

The NQF is founded on this research and it must be recognised that any shifts in the structure of the Framework will have profound impacts on the quality of provision. As stated by Murray:

“Policy that ignores findings about program quality (care giver qualifications and teaching practices, class size, teacher/child ratios, and curriculum) is unlikely to yield intended benefits”.<sup>24</sup>

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<sup>20</sup> Ibid

<sup>21</sup> Commonwealth of Australia, 2009, *Investing in the Early Years – A National Early Childhood Development Strategy: An Initiative of the Council of Australian Governments*, p. 4

<sup>22</sup> Snow & Van Hemel, 2008, *Early Childhood Assessment: Why, What and How*, National Research Council, Washington DC

<sup>23</sup> Australian Institute of Health and Welfare (AIHW) & Australian Institute of Family Studies (AIFS), 2012, ‘Early learning programs that promote children’s developmental and educational outcomes’, *Closing the Gap Clearing House*, p.6

<sup>24</sup> Warner, M. 2009, *op. cit.*

UCCS knows that where there are higher staff-to-child ratios, staff can:

- better form attachment relationships
- interact positively with children more
- provide more time to address individual needs; and
- provide a greater level of care and development to children.

This is supported by the evidence which shows that as the ratio of number of children per adult increases, “the opportunity for sensitive or appropriate interaction between the adult and each child decreases.”<sup>25</sup>

International research has found that children in services with low staff-child ratios perform better in tests on cognitive and social development than children from similar socio-economic backgrounds that have had no such interaction with a formal ECEC program.<sup>26</sup>

### **Qualified staff are key to delivering the environment and programs necessary for quality outcomes**

The presence of a qualified Early Childhood Teacher (ECT) is critical to deliver the environment and programs necessary for high quality outcomes. Longitudinal research from the UK on 3,000 schoolchildren found that trained early childhood teachers provided the most direct teaching, were most effective in their interactions with the children, and used the most ‘sustained shared thinking’.<sup>27</sup> Less qualified staff were significantly better as pedagogues when they worked alongside qualified teachers.<sup>28</sup>

In our experience university qualified ECTs are also vital for driving programs, mentoring staff and creating a greater skills base in services. This experience is echoed by international evidence. Analysis of data from the US National Institute of Child Health and Human Development (NICHD) study found that staff who achieved higher levels of educational attainment were better able to

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<sup>25</sup> Howes, Carollee, ‘Child Outcomes of Child Care Programs’, Issues in Child Care as quoted in Community Childcare NSW, nd. ‘Why should the ratio change?’, [accessed 4/2/2014] at < <http://www.cccnsw.org.au/ratios/pages/ratio.html>>

<sup>26</sup> Howes, C. Smith, E. & Galinsky, E. 1995, The Florida child Care Quality Improvement Study: Interim Report, New York: Families and Work Institute; OECD, 2013, ‘How do early childhood education and care policies, systems and quality vary across OECD countries?’, *Education Indicators in Focus No.11*, Paris

<sup>27</sup> Sylva, K. Melhuish, E. Sammons, P. Siraj-Blatchford, I. & Taggart, B. 2005, ‘Effective pre-school and preliminary education 3-11 project: The effects of pre-school on children aged 7’, Presentation to the British Educational Research Association Annual Conference, September, Wales

<sup>28</sup> Ibid

provide improved learning environments and more sensitive care. Children under the care of more highly educated workers performed significantly better in assessments of language and cognitive development.<sup>29</sup>

In Australia, research on NAPLAN outcomes found that children who gained most from attending an ECEC service were those whose preschool teacher had a Diploma or Degree in early childhood education. Children whose educator had either no relevant qualification, or only a certificate level qualification, showed no significant benefit from attendance at preschool.<sup>30</sup> This is supported by the Government's own data on ECEC that demonstrates qualified staff are key to providing ECEC programs<sup>31</sup> with "well trained and well compensated staff common for programs demonstrating long term [beneficial] effects".<sup>32</sup>

The National Quality Framework is based on this research evidence and Australia is now on the right path to implementing a nationally consistent environment for quality provision. Any changes in the structure of the framework will have an unavoidable impact on the outcomes of children attending those services in later life, and therefore on Australian society as a whole.

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<sup>29</sup> Huston, A.C. 2011, *Caregiver Characteristics, Process, and Children's Development: Results of the NICHD Study of Early Child Care and Youth Development*, University of Texas, Austin.

<sup>30</sup> Victorian Government Department of Education and Early Childhood Development & The University of Melbourne Faculty of Business and Economics, 2013, *Early Bird Catches the Worm: The Causal Impact of Pre-School Participation and Teacher Qualifications on Year 3 NAPLAN Outcomes*, [accessed 4/2/2013] at <  
<http://www.education.vic.gov.au/Documents/about/research/preschoolparticipationandqualisummarypaper2013.pdf>>

<sup>31</sup> AIHW, 2012, op. cit

<sup>32</sup> Reynolds, A. et al, 2007, op. cit.



## 2. ECEC and integrated service delivery models: Improving outcomes for disadvantaged children and families

### **Universal ECEC service provision is key to meeting needs of disadvantaged children**

The outcomes of quality ECEC services for children are great, but offer greater potential still for disadvantaged children. While disadvantaged children have the most to gain from ECEC services it is clear from research that vulnerable and disadvantaged children in Australia are most likely to miss out on access to those services.<sup>33</sup> This includes children from low socio-economic backgrounds, children living in remote areas, Indigenous children and children from a Culturally and Linguistically Diverse (CALD) background.<sup>34</sup>

Data from the Longitudinal Study of Australian Children (LSAC) reveals that children from families in the bottom quartile of socio-economic distribution were seven times more likely (12.8 per cent) not to have attended an education or care program prior to starting school than children from families in the highest quartile (1.8 per cent). Nearly a quarter (24.8 per cent) of Indigenous children did not attend an ECEC program prior to starting school compared to 5.9 per cent of non-Indigenous children.<sup>35</sup>

The Australian Early Development Index (AEDI) measures different domains of early childhood development including physical health and wellbeing, social competence, emotional maturity, language and cognitive skills and communication skills.<sup>36</sup> Children living in the most socio-economically disadvantaged communities are more likely to be developmentally vulnerable on each of the AEDI domains.<sup>37</sup>

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<sup>33</sup> See DEEWR 2011, *op. cit.*

<sup>34</sup> Baxter, J. & Hand, K. 2013, *Access to Early Childhood Education in Australia*, (Research Report No. 24), Institute of Family Studies, Melbourne, p. xvii

<sup>35</sup> Australian Institute of Family Studies (AIFS), 2012, *The Longitudinal Study of Australian Children Annual Statistical Report 2011*

<sup>36</sup> Australian Early Development Index (AEDI), 2013, *Why the AEDI is Important*, [accessed 23/1/2014] at < [http://www.rch.org.au/aedi/early\\_childhood\\_educators/](http://www.rch.org.au/aedi/early_childhood_educators/)>

<sup>37</sup> Centre for Community Child Health and Telethon Institute for Child Health Research 2009. *A Snapshot of Early Childhood Development in Australia – AEDI National Report 2009*, Australian Government, Canberra.

As noted by the PC, fees are the major barrier for access to ECEC services for children by parents. UCCS welcomes consideration by the PC of changes to the current funding model that would lead to lower fees and retain quality outputs, especially where this would lead to greater access of ECEC services for low-income families.

While costs are a key component of access, it is not the only factor. In their 2013 report *Access to Early Childhood Education in Australia*, the Australian Institute of Family Studies (AIFS) found that “access” or accessibility of ECEC services is a multi-dimensional concept. “Access” also encompasses opening hours, physical location and the responsiveness of services to meet diverse child and family needs.<sup>38</sup> Children from CALD backgrounds and Indigenous children face extra barriers such as unmet cultural needs, fear of racism, negative associations with institutions and government services, inflexible entry points and staffing issues.<sup>39</sup>

Evidence shows that the best way to improve the life chances of vulnerable and disadvantaged children is through universal intervention strategies that include whole communities or all families to promote child wellbeing and prevent child abuse and neglect.<sup>40</sup> Targeted assistance can then be provided to assist disadvantaged families in accessing these services in a process known as “targeted universalism”.<sup>41</sup> Integrated services that wrap-around universal ECEC services, and give explicit attention to parent-child interactions are best positioned to engage disadvantaged families and communities.

### **Priority should be given to increasing access by vulnerable and disadvantaged children to ECEC services**

The National Partnership Agreement on Early Childhood Education sets out the aim for all children in Australia to access universal preschool of 15 hours a week for 40 weeks a year, in their year before school. This program aims for

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<sup>38</sup> Baxter, J. & Hand, K. 2013, op. cit., p. xiv

<sup>39</sup> SNAICC, 2012, Improved Outcomes for Aboriginal and Torres Strait Islander Families in Early Childhood Education and Care Services: Learning from Good Practice

<sup>40</sup> Moore, T. 2008, ‘Rethinking universal and Targeted services’, CCCH Working Paper 2, Centre for Community Child Health, Parkville, Victoria

<sup>41</sup> Skopcol, T. 1991 ‘Targeting within universalism: Politically viable policies to combat poverty in the United States’, Jencks, C. & Peterson, P. [eds], *The Urban Underclass*, Brookings Institute Press

delivery to be given by a four-year university-qualified early childhood teacher across a variety of settings.

Preschools that previously operated according to different State and Territory regulation came in scope of the NQF in order to standardise quality and curriculum in ECEC services. This national policy direction has provided some equilibrium in what used to be a State-based system that had markedly differing levels of State government funding, focus and delivery.

UCCS welcomes the consideration of the PC as to the appropriate age of a child entering an early education setting. The COAG agreements were an important first step in starting to standardise universal access to a preschool program. Based on international evidence, we believe that universal preschool provision should be extended to support children from at least three years of age to participate in early childhood education and care.

Studies in the UK found that high quality preschool provision combined with longer duration had the strongest effect on child development. An early start at preschool (between two and three years) was associated with better intellectual attainment and being more sociable with other children.<sup>42</sup> In Australia results in reading, numeracy and science in Years three and four were markedly better for children who attended an early learning service for two or three years compared with those who attended for just one year.<sup>43</sup>

We recognise that two years of ECEC prior to starting school is a longer-term goal. We commend COAG on making important progress in this area, particularly on their priority focus of improved participation of Indigenous and disadvantaged children through the 2013 National Partnership Agreement on Universal Access to Early Childhood Education.

Priority should continue to be given to ensuring that high-quality, low-cost ECEC is universally available for children from the age of three, particularly

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<sup>42</sup> Sylva, K., Melhuish, E., Sammons, P., Blatchford, I S. and Taggart, B., 2004, *The Effective Provision of Pre-School Education (EPPE) Project: Findings from Pre-school to the end of Key Stage 1*, SureStart, United Kingdom.

<sup>43</sup> Warren, D. & Haisken-DeNew J. 2013, *The Early Bird Catches the Worm: The Causal Impact of Pre-school Participation and Teacher Qualifications on Year 3 National NAPLAN Cognitive Tests*, Melbourne Institute Working Paper 34/13; COAG Reform Council, 2013, *Education in Australia 2012: Five years of Performance*; Kronemann, M., 2008, *Aboriginal and Torres Strait Islander children and the national early childhood agenda*, Dusseldorf Skills Forum.

within communities where there is identified and greatest need. This should continue to include Aboriginal communities as well as low-socio-economic communities.

### **Greater support of integrated and co-located service models should be considered for addressing disadvantage**

In considering options for improving access to ECEC services by disadvantaged children, the Government should give priority to the development of integrated and co-located service models. UCCS has witnessed the considerable success of integrated and co-located services in reaching out to disadvantaged and vulnerable families and improving their attendance rates at ECEC services. We currently provide the ECEC service at the Winanga-Li Aboriginal Child and Family Centre in Gunnedah and Aboriginal Child and Family Centre in Mount Druitt, in partnership with Jaanimili, our Aboriginal Services and Development Unit.

International and domestic evidence of integrated ECEC services show that delivering a range of services in a universal early childhood education centre increases participation of vulnerable children and families both in the ECEC program and also co-located referral programs. This is because universal services reduce the potential for stigma as these venues are not associated with a specific type of ‘problem’ and so provide a “soft” entry point.<sup>44</sup>

Co-location of services provides opportunities for families to become familiar with other staff and transition to other programs within the service easily. Staff are trained to provide “warm referrals” for children and families who may benefit from additional health and welfare services.

Integrated ECEC services provide an excellent pathway to both screen for risk and also build skills and resilience of parents. They are also a critical tool for equity due to the many long-term benefits to be derived from participation in a formal ECEC program.

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<sup>44</sup> McDonald, M., 2010, *Are disadvantaged families “hard to reach”? Engaging disadvantaged families in child and family services*, Communities and Families Clearinghouse Australia. [www.aifs.gov.au/cafca/pubs/sheets/ps/ps1.html](http://www.aifs.gov.au/cafca/pubs/sheets/ps/ps1.html)

Integrated and co-located child and family centres are also regarded as the most appropriate model for Aboriginal families and communities. As identified in a research report on child care choices of Aboriginal families:

'When families regularly use a community service that is part of a hub, a sense of ownership is increased and suspicion is reduced, making use of associated services more likely.'<sup>45</sup>

There has been success internationally and domestically when universal ECEC services have been co-located or integrated with other specialist services such as health clinics and parenting courses, especially where there is explicit attention given to parent-child interactions.<sup>46</sup> Recent evaluations of the Queensland Government's *Early Years Centre Initiative* found evidence in the short-term of improved outcomes in development and social behaviour of children as well as improved parenting skills and family strengthening.<sup>47</sup>

Three hundred and forty early learning centres situated in 'unviable' rural, remote and Indigenous communities are currently funded under the Budget Based Funding Program (BBFP) which was under review in 2012-2013.<sup>48</sup> We note that both the Secretariat of National Aboriginal and Islander Child Care (SNAICC) and Early Childhood Australia (ECA) believe that the BBFP has lost focus and have called instead for a fully funded program supporting Indigenous organisations to deliver services to Indigenous communities. UCCS supports this proposal and believes successful integrated models such as the Aboriginal Child and Family Centres could provide an appropriate model for future funding options.

### **Funding for Aboriginal Child and Family Centres must continue**

Aboriginal Child and Family Centres were established under the National Partnership Agreement (NPA) on Indigenous Early Childhood Development and have supported the provision of Indigenous integrated services. Our experience in Winanga-Li provides an excellent case study of how integrated

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<sup>45</sup> Bowes et al, opcit.

<sup>46</sup> Sylva, K., Melhuish, E., Sammons, P., Blatchford, I S., Taggart, B. and Elliot, K., 2003, *The Effective Provision of Pre-School Education (EPPE) Project: Findings from the Pre-school Period*, Institute of Education, University of London; Shonkoff, J. & Phillips, D.A.2000(a), op. cit.

<sup>47</sup> Department of Education, Training and Employment, 2013, op. cit., p.30

<sup>48</sup> Department of Education, 2013, *Budget Based Funding Program Review*, Australian Government, [accessed 22/1/2014] at < <http://education.gov.au/budget-based-funding-program-review>>

service delivery and cultural capacity can build to narrow the gap in Indigenous health and education. The ongoing viability of these centres is currently in question with funding due to cease in June 2014.

Through the NPA the Australian Government provided \$300 million funding for the establishment of 38 child and family centres across Australia and associated operational costs until June 2014. The child and family centres are targeted at addressing the needs of Indigenous families with young children and provide services to all families in the community. Each of these centres is at a different stage of development. UCCS is due to hand over management of the long day care centre to a local Aboriginal board of management in mid-2014.

The Winanga-Li Aboriginal Child and Family Centre has had considerable success in reaching Aboriginal families who had not previously engaged with ECEC services. Ninety-six per cent of the children enrolled in Winanga-Li identify as Aboriginal. Of those currently enrolled 64 per cent of children attending had never previously attended an early learning service (see case study below).

The end of the direct subsidies to the centre will mean fees will have to substantially increase (from the current rate of \$10/day) in order to meet the costs of running the centre. Current staffing levels are higher than regular centres in response to local needs of children and families. In order to maintain a level of affordability, these staffing levels will likely have to reduce, impacting upon the quality and suitability of the service offered.

Staff at Winanga-Li have engaged and assisted community members to access the Child Care Benefit (CCB) and the Child Care Rebate (CCR) in order to provide fee relief in the early learning service. However it will not be enough to maintain current service fees which will preclude some families from continuing to access the service. Without ongoing financial commitment to health and family support services, it will be extremely difficult for the family centres to remain viable. Broader work linking community members to services and assisting Aboriginal children with disabilities will be jeopardised, impacting on the provision of integrated family support services.

Finally, Winanga-Li has invested in traineeships and workforce development in the local community which has assisted in creating a 100 per cent Aboriginal staffed service. The continuation of these support programs are

also under threat with the end of funding. A likely outcome is that the centres become mainstream services as Aboriginal-identified supports and funding is lost.

To prevent the service closures or slow decline into poorer quality services from impacting upon Indigenous families, and to protect government investment so far, UCCS supports SNAICC's recommendation for a new ten-year commitment to these centres.<sup>49</sup> This commitment should enable centres to continue to meet their core objectives and provide ongoing support for improved outcomes and resilience building for Indigenous families and communities.

### **Winanga-Li Aboriginal Child and Family Centre in Gunnedah NSW: A case study in successful integrated service provision**

In Kamilaroi language Winanga-Li means:  
*to hear, to listen, to know, to remember*

The Winanga-Li centre in Gunnedah is one of nine Aboriginal Child and Family Centres (ACFCs) built and established in NSW under the COAG *National Partnership Agreement on Indigenous Early Childhood Development* designed to narrow the gap in indigenous health and education.

Gunnedah in rural north west NSW (approximately one hour from Tamworth) was chosen as an ACFC site because Aboriginal children in the town were found to be developmentally vulnerable on more than two developmental domains for young children. The town also has a high level of Aboriginal teenage pregnancies. Gunnedah has an agricultural base, with mining now a significant presence in the town and the surrounding region.

Approximately 15 per cent of residents in Gunnedah identifying as Aboriginal and there is a strong sense of Aboriginal identity amongst the Kamilaroi people. Before Winanga-Li there were no services specifically for Aboriginal children in Gunnedah, and Aboriginal children were under-represented in attendance at early childhood services in the town.

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<sup>49</sup> SNAICC, 8/6/2013, 'governments must commit to survival of Aboriginal children and family centres', Media Release, [accessed 24/1/2014] at < <http://www.snaicc.org.au/news-events/fix-view-article.cfm?loadref=32&id=1095>>

Winanga-Li provides care and education for 35 children each day, 50 weeks per year, for children aged from zero to six years of age. The service also provides a bus service to pick up and drop off children.

From its inception in July 2013 the service has been fully utilised. 64 per cent of children attending had never previously attended an early learning service and 96 per cent of the children enrolled identified as Aboriginal.

UCCS and Relationships Australia (NSW) were jointly awarded the tender to establish interim early childhood and family support services and to operate the ACFC following completion of construction by the Department of Housing. The contract was from June 2011 to June 2014. A Board of Management will take over the operations of the service from 1st July 2014.

The focus of the early learning services were identified as part of a consultative process between the local Aboriginal Reference group, Jaanimili, and the project team from UCCS as:

- establish services that are culturally relevant and sustainable
- develop opportunities for workforce development for the 100 per cent Aboriginal workforce
- engage families in their children's learning
- work with other children's services in town.

The principles that underpinned the work of UCCS in Gunnedah were:

- relationships and trust
- partnership
- communication and consultation
- capacity building
- access to adequate resources
- respect, integrity and acknowledgment.

It was acknowledged that for Aboriginal families to trust and send their children to a service then the educators needed to be Aboriginal, to be known and to be respected.

Interim services commenced in March 2012 when an early childhood teacher and two staff with Certificate III qualifications were employed. The roles were intensively supported by project staff from UCCS and Jaanimili. The same staff continue working at the service today.

This support included:

- attendance at UCCS induction and training at Sydney offices
- attendance for the Co-ordinator at tri-annual Director's meetings in



### Sydney

- attendance at biannual Jaanimili gatherings of Aboriginal staff in rural NSW
- visits from project staff every 3- 4 weeks including on-site supervision and mentoring
- regular phone and email contact with UCCS project staff and Jaanimili staff.

The trainees were enrolled in the Diploma in Children's Services by distance education and received support from the early learning co-ordinator, the first two trainees employed have now completed their Diplomas.

Interim services laid the foundations for the early learning services that followed. The interim services included weekly playgroup with inclusion of a speech pathologist, outreach playgroups to isolated communities, early literacy programs and play-based speech programs. Trainees were also placed in early childhood services in town.

Full recruitment of staff began in April 2013. A total of eight new staff were employed, taking the full complement of Aboriginal early childhood staff to ten. Most of the staff employed in the early learning service were previously unemployed or employed on a casual or part-time basis in the community. Five of the educators are currently enrolled in further study by distance education.

All staff have benefitted from extensive and sustained training in UCCS policies and procedures and opportunities to attend relevant short courses at the Gunnedah College of TAFE.

One day a week, the staff at Winanga-Li participate in team meetings, liaise with support staff including the Early Start Aboriginal Disability support worker, attend cultural gatherings, engage in supervision with the Co-ordinator and complete study tasks and documentation.

Winanga-Li is delivering valuable early education and care services to a significant number of Aboriginal children within a culturally relevant program with staff who are actively engaged in furthering their own and the community's knowledge of the importance of early learning.

### 3. UCCS experience of the implementation of the NQF

#### **UCCS supports the quality reform agenda**

The experience of the NQF has been very positive for UCCS, with little impact on operations and costs, and maximum impact on quality and professionalism. Where UCCS has experienced changes to services, this has improved the programs we provide to children and families by promoting a culture of quality learning and care (see case study below).

The implementation of the *Early Years Learning Framework* has significantly improved intentional teaching and outcomes for children. The NQS Assessment and Rating system has promoted greater reflection and accountability across a wide range of quality areas. The role of educational leader has been instrumental in these improvements, as has the Quality Improvement Plan (QIP).

UCCS understands and values the role that quality ECEC services have in providing a solid foundation to children's emotional and cognitive development, and the importance of having solid frameworks (including child-staff ratios and staff qualifications requirements) to support this. As such, we strongly support the NQF and oppose any but the most moderate of changes to both the Framework and the Standards.

Implementation of changes has been staged with long lead-in times of up to three years. There has been a high level of government consultation, engagement and support to the sector in order to assist in the transition, with a number of subsidies and training packages made available to existing and future employees.

Of the 19 UCCS services (35 per cent of our total number of services in NSW) that have recently had their Assessment and Rating visit, 84 per cent are either exceeding or meeting the NQS, with other centres working towards meeting the NQS and only needing minor supports before they fulfil this (see Appendix A).

Our experience seems to reflect that of the broader sector. Statistics from the Australian Government in August 2013 show that of services assessed, 56.1

per cent were meeting or exceeding the NQS, 43.6 per cent were working towards implementing the NQS with only 0.3 per cent of centres requiring significant improvement.<sup>50</sup>

**Personal reflection from a UCCS Director on the impact of the EYLF on service delivery**

I've worked in the early childhood sector for a number of years in the UK, Thailand and New Zealand before coming to Australia a few years ago. I came here at a really interesting time with the start of the NQF and the EYLF.

I feel that these frameworks have made a huge difference with what is happening in the program. Providing outcomes to work towards has provided much deeper development and learning in the children and really focussed much more on helping them develop their skills. The NQS is much more modern and is also closer to what is happening internationally and, really, it is what should be happening.

What I found was that the EYLF gave really clear guidelines about program planning and development. Before if a child was interested in trains, you might have made a thing or incorporated trains into play, but there wasn't that questioning of why are we doing this, what is the benefit, how are we engaging that child with this activity?

Whereas now the Framework provides for that critical evaluation. When we're looking at trains we ask what is their learning? Are they negotiating over play? If not do we need to look at that? Are they investigating the parts? How can we help them understand this train better? Do they know the names of the parts? Should we teach extra vocabulary? There are so many ways we can incorporate learning in to that interaction. Our programs now involve much more observation and that links to looking at how we are helping children to develop their skills.

The other side of the EYLF is really relationships and the focus on relationships building. Before the focus was only really on development, but children only work well with strong relationships and attachments. So the focus has really changed for educators on what they are doing and how they are interacting with children during the day. By forming those relationships

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50 DEEWR, 2013, op. cit., p.3

the children really spark and their learnings develop so much faster.

I've noticed a lot of change. Our service has been working really hard to follow the NQS and the change in kids outcomes is amazing. For instance it used to be quite rowdy and noisy in the centre. When I arrived before the EYLF there was one big room and we'd mostly get the kids to do the same things at the same time in the program.

There were some children in the service with quite challenging behaviour. Big noisy rooms are a space that is really quite hard for these children to cope with and can trigger or exacerbate some of that behaviour. At that time there were no break-out spaces.

The NQS has standards around respecting children's needs, about providing calming spaces for children and making a child-friendly environment. We put a lot of effort into our service environment to make sure it is one that respects children and has calm places. We divided the room physically in to many different spaces with things such as curved shelves, dividers and fabric. This made the room more peaceful. We also dedicated each of the spaces to a different part of a child's learning. For example one space aims to help children communicate more effectively. Another space is to help with critical thinking. By using the many elements of the Framework together it made it so that children can really focus and concentrate.

By setting up the room as we did, the room became quieter and gave the children more opportunity to focus and become more engaged with activities. You wouldn't be able to tell which kids had the challenging behaviours anymore. On a grassroots level the EYLF really works in practice.

Another example of the impact of the NQS is even the ways in which children could play and use toys. Under the NQS we need to provide children with time, and respect their work. So we decided to let children leave their block towers out instead of putting them away at the end of the day. The next day they would come to it, and the day after that, and the day after that, and they started building these amazing really complicated structures.

It demonstrated really what children can achieve if given time and really helped in their development and learning. They became better and better at it [building with blocks]. They worked out things like needing two bricks for balance that they never would have realised before with half an hour. They

found solutions for making their tower taller and sturdier. These developments only came about because we gave them time to develop.

I just think that the EYLF has been so amazing and so effective, and I've found it really useful. As Director it gives you a really strong guide to start with new staff as it's a nationwide system and really encourages educators to get involved with the framework.

### **Qualified staff are the backbone of NQS implementation**

Some services have made significant investments in order to prepare for the NQF and NQS. Given the focus of the inquiry on achieving cost efficiencies, we see no benefit in reducing the standards of the quality framework or changing the standards. With the overwhelming majority of services meeting or working towards full implementation of the NQS, any reduction in the current regulatory environment would make those investments redundant. It would undermine progress made so far towards achieving a national quality ECEC system.

UCCS has committed resources to not only ensure all of our services are meeting these standards, but also in sector advocacy over a number of years to support a best-practice ECEC system for children. The majority of the changes under the *National Early Childhood Development Strategy* are those that the sector, including UCCS, have advocated on for years.

Broad sector support for the NQF and NQS was recorded recently by the Australian Children's Education and Care Quality Authority that found 42 per cent of providers indicated that they were 'very supportive' of the NQF, 36 per cent indicated they were supportive and 16 per cent moderately supportive. Combined, 92 per cent of the sector supports the NQF. Less than 8 per cent of respondents were either 'not very' or 'not at all' supportive with a proportion that couldn't say either way.<sup>51</sup>

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51 Australian Children's Education & Care Quality Authority, 2013, *Report on the National Quality Framework and Regulatory Burden*

Staff are also committed to the quality reforms with one Director noting that:

“When there was talk of the EYLF coming out years ago it was a very exciting time to be involved in early childhood. I look back and feel very happy and grateful to be here to witness this part of history. It [the EYLF] is a very strong document with broad outcomes that allow for recognition of the holistic child while still providing scope to facilitate more specific outcomes”.

Another Director reflected:

“I think it’s fantastic that there are national standards as it helps give children the best possible chance. The NQS provides a national baseline for quality as opposed to the old State by State system with each State deciding what they think quality should look like. This national approach results in better outcomes for all children across the whole nation.”

UCCS sees the introduction of mandatory minimum qualifications and higher teacher ratios as integral to the implementation of a quality system. We note that the PC is interested in how subjective aspects of the NQF such as ‘relationships with children’ are understood by staff. Formal training in the Certificate III and above, helps staff to engage with the philosophy of child development and care that underpins the NQS. As outlined in the *Early Years Workforce Strategy* all professional ECEC courses must embed pedagogy and understanding of implementation of the NQF and NQS.<sup>52</sup>

From a practitioner perspective, ‘subjective’ aspects of the NQS have very finite practices that are observable and demonstrate effective relationships with children. It involves talking to children individually, getting down on their level, talking to them face to face, understanding their likes, their dislikes and their abilities. It also involves working with families to get to know the child.

The NQF gives a lot of guidance around the application of these types of aspects of the NQS. For instance, the Commonwealth-funded National Quality Standard Professional Learning Program (NQS PLP) developed by ECA supports early childhood educators to embed the Early Years Learning Framework in their practice and achieve other aspects of the NQS. The NQS

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52 Standing Council of School Education and Early Childhood, 2012, *Early Years Workforce Strategy: The Early Childhood Education and Care Workforce Strategy for Australia 2012-2016*, p.9

PLP has produced a number of online resources for practitioners including e-learning videos, an online interactive forum and production of materials.<sup>53</sup>

Attachment theories, and other understandings of non-tangible ECEC outcomes, are integral to all of the current levels of qualification. It is vital that staff understand how interactions impact upon development.

**Feedback from Service Director on the connection between qualifications, early childhood education and care**

We're very fortunate at our centre because quality ECEC is at the crux of what UnitingCare Children's Services believes so we have a very highly skilled team above what is required to meet the NQF. We have a university qualified ECT in each room in addition to myself as a non-teaching director.

So as a 40 place centre we have three ECTs as well as several Diploma-trained staff. Having a highly qualified team results in better outcomes for children as the teaching team benefit from knowledge gained through years of study and have a thorough understanding of child development, learning and how best to support children's holistic development.

Having highly qualified staff members has the added benefit of up-skilling the team as a whole, as the university educated team members can mentor and share their knowledge with Diploma and Certificate III trained staff, increasing the quality of education and care across the service.

Under the NQF all educators need a qualification be it Degree, Diploma or Certificate III. This results in all educators having knowledge about the EYLF, and the skill set to support children's learning and development. Again resulting in higher quality education and care.

We note that the PC is interested in alternatives to formal training and qualifications and would highlight the use of RPL as an opportunity for an alternative pathway for some staff members (explored in greater detail later).

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53 See <<http://www.earlychildhoodaustralia.org.au/nqsp/p/>> for full range of resources available [accessed 23/1/2014]

Beyond this, the relationship between formal qualifications and outcomes is very clear. Any attempts to water down the qualifications framework will impact on the ability of services to deliver effective support to children's social, emotional and cognitive development.

UCCS would be resistant to any changes to the qualifications framework or shift to alternative assessments of competencies that did not build on best practice. We recommend that NQF and NQS provisions for university and tertiary qualifications are retained in full.

### **Pre-existing regulations in NSW have supported the implementation of the NQF**

#### *Ratios*

The current ratios under the NQF have presented little challenge to services in NSW as ratios remain the same until 2016 (1:4 for 0-2 year olds, 1:8 for 2-3 year olds and 1:10 for children over 36 months). In 2016 there will be changes for NSW services in terms of greater staffing requirements for 2-3 year olds with the ratio changed to 1:5.

UCCS supports the move to increase the current ratio in NSW for 2-3 year olds as it is evidence informed and moves Australian children's services sector more in line with standards found in other OECD nations. UCCS also believes that the three year transition time between the announcement on ratios and their implementation is more than adequate in order to prepare for the changes.

#### *Increased qualifications*

NSW has also had higher standards than other jurisdictions for the requirement for ECTs to be onsite at ECEC services where there are over 30 children in attendance. Requirements for ECTs have not shifted under the NQF for services in NSW, with pre-existing requirements remaining for a greater presence of teachers as the number of children attending the service increases.

The greatest change in NSW, commencing in 2014, is the introduction of the minimum mandatory requirement for at least 50 per cent of educators to hold a Diploma or higher qualification and the remaining to hold a Certificate III. As a best-practice service provider, prior to the NQF, UCCS had already



implemented a policy of employing qualified staff wherever possible. We have subsequently felt little impact from the changing qualifications framework and have rarely experienced any difficulty in attracting qualified staff or filling vacancies. We believe this is a product of our commitment to staff which leads us to be an employer of choice.

Services in NSW have been assisted during the transition period through the allowance under the NQF for people working towards the qualification to be counted as qualified where they can demonstrate they are actively working towards it. These factors have been complemented by government funding for Recognition of Prior Learning (RPL) that has assisted workers to achieve formal qualifications and has made the process readily achievable. Since 2011 ECEC workers have been able to access rebates of up to 75 per cent of costs associated with the RPL process, with higher levels of subsidisation available for workers in regional and remote areas since the beginning of 2013.<sup>54</sup>

UCCS found that the availability of RPL demonstrated the importance of the experience and skill of current staff, many of whom had undergone a range of professional learning that was officially unrecognised. The feedback from our staff members who underwent RPL or undertook a certification course has been positive, with most enjoying the experience, and finding that the process affirmed their skills.

In NSW staff were also assisted to upskill through the NSW Government's initiatives New Skills: Quality Care and the Early Childhood Education and Care Training Strategy that provided subsidised training for the Certificate III or Diploma in Children's Services to staff working in an ECEC service at the time of the announcement of the NQF. Contributions to costs of traineeships for employers also assisted with NQF preparedness with assistance available from both the NSW Government and the Commonwealth.

In continuing to assist the enhanced professionalisation of the sector, continued Commonwealth Government financial support for subsidised training places would be welcomed. Like Early Childhood Australia (ECA) we note that the Early Years Workforce Strategy provides a comprehensive

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54 See the 2011-2012 budget at < [http://www.budget.gov.au/2011-12/content/bp2/html/bp2\\_expense-08.htm](http://www.budget.gov.au/2011-12/content/bp2/html/bp2_expense-08.htm)>

blueprint for addressing areas of workforce shortages and skills through promotion of the sector and targeted supports.<sup>55</sup>

As approved by all State and Territory Governments in Australia, we recommend that the actions and approaches outlined in the Strategy are fulfilled. In addition we support the ECA submission recommendation for consideration of a reduced Higher Education Loan Program (HELP) debt for each year graduates work in the ECEC sector and incentives for ECTs to work in rural, remote and disadvantaged communities.<sup>56</sup>

### **NQF and NQS driving quality improvement and professionalisation**

UCCS found that the advent of the NQF gave our organisation an opportunity to survey all of our services to ensure they would meet the new standards and see where there were shortfalls in staffing qualifications. This was a positive process as it allowed us to identify some gaps in provision, particularly around Certificate III and Diploma holders, and provide necessary support to staff to engage with study or RPL schemes if they had not already done so. We believe this process has strengthened our services with all but two of our centres currently meeting or exceeding the NQS (see Appendix A).

In our experience the introduction of the qualifications requirements of the NQF has also raised the importance of professionalisation in the sector, created clear career pathways and opportunities for skills progression and mentoring. This has increased the attractiveness of the profession of early childhood educators. UCCS have noticed two significant outcomes from this. The first is that many people working in the sector, of their own initiative have sought to gain formal qualifications. The second is that we have noticed an upsurge from people interested in working in the sector.

#### **Case Study: How implementation of the NQF and NQS supported quality improvements in two UCCS services**

After the announcement of the NQF and NQS, UnitingCare Children's Services undertook a comprehensive internal review and assessment of all of our services. This was to see how much assistance was needed in supporting

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<sup>55</sup> Early Childhood Australia, 2014, Productivity Commission Inquiry into Child Care and Early Learning: ECA Consultation Paper 1

<sup>56</sup> Early Childhood Australia, 2014, op. cit.

services to achieve compliance with both mechanisms.

Although the majority of our services were already achieving the new regulatory standards many years before implementation, strategies we employed post-assessment resulted in notable improvements. The following are examples of two UCCS long day care services where the improvement in quality as a result of the advent of the NQF was visible and significant, resulting in both services being awarded an 'Exceeding the NQS' assessment rating.

One of our services in the Newcastle area enhanced the educational program for children by reviewing choice and routines within the program, strengthening visibility of the planning cycle and building upon relationships and local community culture. A vigorous review of environments and systems supported policy implementation and consistent good practice, especially health, hygiene and safety procedures. Assessing certain aspects of service management and staffing was an incentive to reinforce processes such as staff induction, appraisal and professional learning.

Another service in northern Sydney notably worked on learning experiences and transitions for children where engagement and relationships with the local community and schools were further promoted. Environmentally sustainable practices were also given greater attention. The process enabled staff's capacity to articulate their improved practice.

Improvement was evident in a number of the Quality Areas and achieved through critical reflection and self-evaluation against each element of the standards with planning for improvement. The QIP was an effective tool to affirm service strengths and effect change.

The continued focus that all UCCS services have on their service QIP, together with the continued roll out of the NQF has resulted in:

- families better understanding the positive impact of quality on outcomes achieved for their children
- families being better informed when selecting an education and care setting for their children
- the return to work for families being more achievable, knowing their children are receiving quality education

- staff continuing to focus on improvements that positively impact outcomes for young children in their care
- children achieving the best start to reaching their full potential
- children experiencing more positive transitions to formal schooling
- children being more closely linked to their culture and community through their education and care service.

This showcases the positive change that has consistently been achieved across UCCS services since implementation of the NQF and the NQS.

### **UCCS professional development initiatives**

UCCS provides a range of professional development opportunities for our staff that builds on their existing experience, qualifications and skills set.

UCCS undertakes a Training Needs Analysis to determine professional learning needs and provides an annual Professional Learning Calendar which includes targeted workshops, Directors and Co-ordinators meetings, Educational Leader practice forums, whole of service training, networking and leadership opportunities, support for external conference and seminar attendance.

Courses offered build on pedagogy, promote leadership and best practice. These have included service philosophy development, developing a Quality Improvement Plan, planning and documenting the educational program, embedding sustainable practices and promoting health and safety for children.

Professional learning plays an important role in continuous improvement and augments existing qualification and skill levels, however, it is not, and will never be a replacement for professional qualifications.

### **Government support should focus on improving low pay in the sector**

While professionalisation of the sector has increased its attractiveness as a career option for many people, wages have not grown to match the level of skill and expertise that staff bring to programs and services. High turn-over

and skill atrophy have been consistent issues in the Australian ECEC sector<sup>57</sup> particularly amongst ECTs who are able to receive much higher wages (up to 20 per cent higher) in school teaching.<sup>58</sup>

Longitudinal evidence shows the critical nature of well-trained and well-compensated staff in delivering programs with long term beneficial effects.<sup>59</sup> UCCS supports an assessment of funding mechanisms through which ECTs could achieve higher wages. As noted by Bretherton “employees who stay tend to maintain and fortify service quality, often at the expense of their own employment arrangements and quality of life”.<sup>60</sup> It is not acceptable for ECEC staff to continue to trade-off a decent living wage for their commitment to educating Australia’s children.

Professional wages for staff will involve a level of government support and commitment as services are not currently in a position to significantly increase wages without passing on costs to parents.

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57 Bretherton, T. 2010, *Developing the Child Care Workforce: Understanding ‘Fight’ or ‘Flight’ amongst Workers*, Workplace Research Centre, University of Sydney, Commonwealth Government, p.7

58 Ibid, p.20

59 Reynolds, A. 2007, *op. cit.*

60 Bretherton, T. 2010, *op. cit.* p.7

## 4. Opportunities for improving administration of the NQS

UCCS welcomes the focus on improving the administrative aspects of the NQS and re-examining regulatory issues across jurisdictions. While we have identified some areas for reform across national and state jurisdictions, UCCS has not found the NQS to be onerous or a “burden”. In particular the new assessment and rating system in our experience has been a positive change for the sector and has markedly improved from the old system of accreditation.

In assessing initiatives of services to increase efficiencies, UCCS believes that our Management Support program could offer cost-savings for stand-alone services and assist struggling services in meeting their regulatory requirements. It could also assist with recruitment and retention strategies.

### **Assessment and rating under the NQS delivering positive changes to the Australian ECEC sector and should continue**

Under the NQS services are required to submit a Quality Improvement Plan (QIP) that aims to build capacity of services to self-assess their ECEC delivery against the National Standards and to set out an ongoing long-term plan for quality improvement. It also forms part of the assessment of services by the Regulatory Authority.

UCCS believes this new system of assessment and ratings is a significant improvement on the previous system under the National Childcare Accreditation Council (NCAC), both from a quality assurance and an administration position. The new assessment and rating system provides more flexibility to address and respond to local needs and provides an emphasis on community links. Standards are set out in a way that is less prescriptive and allows services to demonstrate how they meet the NQS quality areas in a variety of ways.

The QIP promotes continuous improvement as it is a living and evolving document. Although the previous quality assurance system required an improvement plan from services, there was no mechanism for reviewing those plans. The new system embeds improvement processes and is part of the

process that assists in developing a quality program. No changes should be made to the rating and assessment system, however consistency and reliability of the process should be subject to ongoing evaluation and review, where necessary.

### **Areas for cross-jurisdictional improvement**

Areas where the new Regulations, or the ECEC sector (both State and National) could be improved are below.

#### *Expansion of NQF to occasional care and mobile preschools*

The expansion of the NQF to preschools was a welcome move towards encompassing a national standardised quality system and eliminating some of the historical divisions between “education” (which has traditionally been seen to be provided in school settings only) and “care” (traditionally associated with all other services in the ECEC sector).

We are concerned that occasional care and mobile preschools continue to be left out of the NQF, creating divisions in the system, and a lack of recognition for the educational component that these programs provide. Harmonising legislation for these currently ‘out of scope’ services will streamline administration for jurisdictions and providers of state and nationally regulated services. UCCS recommends that occasional care and mobile preschools are brought in to the scope of the NQS, with consideration of the challenges of recruiting qualified staff, lower utilisation and geographic remoteness, especially for mobile preschools.

#### *Extension of provisions for ECTs to all services irrespective of size*

It is the policy of UCCS that an ECT is available to all children irrespective of the service size. As well as being critical to the quality of program delivery, ECTs provide mentoring of staff, drive the educational program and so assist staff to deliver a quality program. Under the NQF services with less than 25 children do not require an ECT on site full time. We believe that this disadvantages children attending smaller services, particularly those in regional and remote areas. UCCS recommends reviewing this area of the NQF as a matter of priority.

### *Certified Supervisors*

Since January 2012, in addition to a designated Nominated Supervisor, services are required to have a number of staff who are Certified Supervisors. The Certified Supervisor is required to take on the role of the Responsible Person in the absence of the Approved Provider or Nominated Supervisor. This means that a number of staff need to be Certified Supervisors, particularly in extended hours services.

UCCS sees limited added value in having staff go through this process as the role of Certified Supervisor does not carry any legal responsibility and under the NQS services are bound to meet the regulations regardless of who is on the premises. The assessment process under the NQS also requires services to demonstrate they have processes in place to ensure that regulations are being followed and good practices are being maintained at all times.

We recommend that the role of Certified Supervisor is rescinded. This would reduce the compliance burden on services without greatly increasing the risks to the health and safety of children.

### *Customer Reference Numbers for preschools*

One area which UCCS believes is in need of attention is the recent application of the legislation around Carer Reference Numbers (CRN) for preschools. This has created unnecessary bureaucracy when staff change positions.

An administrative error was identified by the Department of Education, Employment and Workplace Relations (DEEWR) in 2013 with regard to the change to the family assistance law, A New Tax System (Family Assistance) (Administration) Act 1999.

This meant that the long-held Carer Reference Number (CRN) of preschools had to be registered with individuals instead of the services. Preschools were unknowingly in breach of the Family Assistance Law for over a decade.

This has impacted many providers of preschool in NSW. Under the Act, organisations cannot make applications for registered care and the Registered Carer must be an individual who provides the actual care. As a result, an educator providing care must apply for a CRN.



This creates an administrative burden as preschools must reapply each time the holder of the CRN leaves; a new educator must apply for a CRN; fee invoices must be adjusted to show the relevant CRN and in some cases backdated to enable families to continue receiving registered care CCB.

A review of this legislation where a preschool service can be registered as the provider would reduce unnecessary red tape where there is no added responsibility or gain to be made in registering the individual educator.

UCCS recommends that the service or approved provider holds the CRN number rather than the educator.

### **Sector initiatives that drive centre efficiencies: UCCS Management Support Program**

Initiatives that can help services to reduce cost and administration include the outsourcing of management and administrative functions and the access to consultancy to help build service capacity. UCCS offers management support options that can assist services with meeting the NQS and offers tailored professional learning opportunities for staff on a fee for service or contract basis.

Many smaller services have limited capacity and find this a cost-effective way of ensuring compliance with regulations, the development of service policy and procedures, professional development and service management.

For instance, UCCS management support offers guidance on writing a QIP, assessments of services to identify areas of need to support implementation of the NQF and other regulations, direct support with service management and a range of professional development courses including program planning and documentation development.

## 5. ECEC funding and costs

### **Achieving and sustaining improved access and affordability will require increased government investment**

UCCS recognises that the Australian Government spends a considerable sum of money on ECEC services every year and welcomes the PC consideration of funding models in Australia. Given the significance of early years programs for children's learning and emotional outcomes and productivity, adequate investment in the early years is of critical importance to the productivity agenda and should continue to be a priority for Government.

Although the expenditure by the Commonwealth Government may appear to be relatively high, there is considerable room for improvement if the Australian ECEC sector has any hope of matching the quality and scale of provision provided in most other developed nations. On a GDP basis Australia has consistently lagged behind other OECD countries in its investment in ECEC. The 2010 progress report on evaluation of the National Partnership on Early Childhood Education, states:

Until the National Partnership on Early Childhood Education came into effect, Australia's investment in ECE has been 'abysmally low,' 30th out of 32 countries on the OECD ranked expenditure on ECE as a percentage of GDP in 2005.<sup>61</sup>

The PC report notes that there are trade-offs between affordability and quality. UCCS believes this is a contentious and problematic concept. Aside from providing staffing ratios and qualifications as guided by best practice we also have legal obligations that require us to meet base-line standards. This includes the State-based Child Protection Act and the National Framework for Protecting Australia's Children. UCCS views these standards, that include ratios and qualifications, as part of the operating costs of running a service.

The minimum standards needed to operate a quality service are set out in the NQF, and as noted earlier, are based on a wealth of international research about best-practice and quality outcomes. We believe these standards are non-negotiable. Also as noted earlier, focussing on investment of children will

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61 Op cit, Urbis p.85.

assist with parents wanting to re-enter the workplace as parents feel more confident to leave their children in quality services with professional staff.

Achieving and sustaining the goals of improved access and affordability of early childhood services will require continued investment, with scope for better targeting to increase access for children from disadvantaged backgrounds. Given Australia's low ranking within OECD countries on investment in early childhood education there is certainly potential to increase current rates of investment in order to bring Australia in line with our OECD counterparts. Accepting a long term view of investment and outcomes will better provide for the future growth and sustainability of Australian society.

### **Operational support should be provided where there is market failure**

Given that the provision of ECEC is a service, similar to other service-based professions it is reasonable to expect that the majority of costs involved in running the service is linked to wages. Whilst some of the recent debate about ECEC affordability has focussed on wages it is important to recognise that there are other factors at play in the affordability versus accessibility debate.

Day-to-day operating costs and revenue are also impacted by rental prices and administration costs. Our own experience suggests that some of the administrative costs of services can be softened with economies of scale. The ability to charge higher fees is driven by the socio-economic characteristics of the local population, although property prices in higher income areas is also a cost pressure for service providers.

As with other market-based models of service provision, where there is no market, or not a market large enough to receive returns on costs, ECEC providers may either choose not to locate in these areas or struggle for viability, both of which affect accessibility. This is predominantly the case in rural and remote areas and areas of low income. A market-based model is not capable of delivering for all children in all areas of Australia.

As discussed earlier the service system needs to be planned in a way that ensures that all children can access an early childhood education and care service. In rural and remote locations and areas of socio-economic disadvantage, it will be important to identify where there is unmet need.

UCCS supports the Henry Tax Review recommendation that subsidies should be available for providers where market conditions do not exist for viable centres to operate.<sup>62</sup> In areas of high disadvantage, the options for developing integrated and co-located services that could build on existing child and family services should be explored. Extending funding for Aboriginal Child and Family Centres should form an important part of strategies to ensure greater numbers of Aboriginal children have access to the ECEC system.

### **Funding reform provides opportunity to increase access for disadvantaged and vulnerable families**

Studies and reviews of ECEC funding in Australia have repeatedly highlighted the complicated and regressive nature of the CCB and CCR.<sup>63</sup> UCCS supports recommendations by ECA, the Henry Tax Review and the Australia Institute for the Government to explore options for a simpler and more transparent single payment model.

We further support calls for reforms by ECA that ensure investment is prioritised for vulnerable and disadvantaged children. Given the benefits that quality ECEC services can provide, we also support ECA recommendations that disadvantaged families are able to access services regardless of the workforce participation of families.<sup>64</sup>

UCCS notes the interest of the PC in funding different models of informal care, particularly in-home options such as nannies, in order to increase flexible options and so better suit the needs of families with non-standard work hours. In our experience outside school hours care and the long day care model have developed in order to support the needs of working parents whilst providing an educational service, with many of our services open from 7am through to 6.30pm. There is little demand in the areas that we operate in for services outside of these hours.

The priority for ECEC funding in Australia should be on universal services and on increasing participation of marginalised children and communities. If extra funding for informal in-home systems of early childhood care is considered,

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<sup>62</sup> Commonwealth of Australia, 2009, 'F4. Childcare assistance', Australia's Future Tax System: Report to the Treasurer

<sup>63</sup> Commonwealth of Australia, 2009, op. cit.; Baker, D. 2013, Trouble with Childcare: Affordability, Availability and Quality, The Australia Institute, Policy Brief 49

<sup>64</sup> Early Childhood Australia, 2014, op. cit.

this requires a new and separate stream of funding and must not impact on those funds available to formal ECEC services.

UCCS recognises the great work and investment that has been committed so far on inclusionary access to formal ECEC services. We believe that this review provides an excellent opportunity for the State, Territory and Federal Governments to recommit to quality and expanding access to ECEC services, particularly for disadvantaged children. We support calls, by ECA and others, that now is an opportune moment to examine how the current funding system could be reformed to ensure that support is being received by those who need it most.

## Appendix A: Assessment of UCCS Services against the NQS

