



Submission to the Senate inquiries into early childhood education and care

Contact:

Anne Hollonds

Chief Executive Officer

T: 02 8262 3400

E: anne.hollonds@benevolent.org.au

The Benevolent Society

Level 1, 188 Oxford St

PO Box 171

Paddington NSW 2021

www.benevolent.org.au

Table of Contents

1. Introduction	1
2. Recommendations	2
3. About The Benevolent Society	2
4. Cost and availability of early childhood education and care	3
5. Current regulatory environment	5
6. Productivity and workplace participation for parents	5
7. Outcomes for children in early childhood education and care services	6
8. Impacts of the announced government amendments to the NQF	8
9. Integrated child and family services	8

1. Introduction

Thank you for the opportunity to contribute to your inquiry into the immediate future of the child care sector in Australia and your inquiry into the delivery of quality and affordable early childhood education and care services. This submission reflects our role as a provider of early childhood education and care (ECEC) services and a broker or purchaser of services on behalf of our clients.

It is now widely acknowledged that the early years are crucial in laying the foundation for later learning and development. It is concerning, therefore, that nearly a quarter of Australia's children are vulnerable in one or more areas of child development when they start school, according to the Australian Early Development Index (AEDI). Children who aren't 'school ready' tend to do less well in school and are more likely to become teenage parents. As adults they are more likely to be unemployed and welfare dependent, engage in criminal activities and have mental health problems.

To ensure that children are ready for formal schooling, children and their families must be supported during the critical early years when there is the greatest potential to prevent health and wellbeing problems from emerging in adulthood. It is not surprising that the early years are so important as it's during this period that critical brain development takes place. We also now know that chronic, unrelenting stress in early childhood damages the developing brain architecture and can lead to life-long problems.

High quality early childhood education and care is the single most effective and cost beneficial early intervention strategy for enhancing a child's developmental outcomes, especially language and cognitive development. It is particularly effective for children from disadvantaged families.

By promoting children's social, communication, physical and academic skills on a regular basis, in partnership with families, early childhood education leads the way in building confident and resilient children.

Access to affordable, high quality early childhood education and care is also critical to workforce participation, especially for women. This is a particularly important issue as Australia has one of the highest rates of family joblessness compared to other OECD countries.¹ We also know that family joblessness significantly increases the risk of children living in poverty and a range of poor outcomes including higher rates of poor health and disability and lower educational attainment.

Reducing barriers to workforce participation and getting more people into secure, reasonably paid jobs is therefore a critical step in breaking the cycle of disadvantage.

Please note, in this submission the term 'preschool' is used to refer to the structured, play-based learning program, delivered by a degree qualified early childhood teacher. This is known as 'kindergarten' in Queensland. However, the umbrella term 'preschool' will be used in this submission for ease of reading.

2. Recommendations

The Benevolent Society recommends that:

Funding and subsidies

- over the next decade government increase its investment in early childhood education and care to reach the OECD recommendation of 1% of GDP
- universal access to 15 hours of preschool be extended to three year olds and provided at no cost to disadvantaged and low income families
- early childhood education and care subsidies be better targeted to disadvantaged and low income families
- child care subsidies, like the child care rebate (CCR) should, be provided direct to services (rather than families) to maximise the impact of the available funding and ensure access is more equitable
- the threshold for the Special Child Care Benefit be lowered, cover a 52 week period/per year and fully cover the cost of employing additional staff.

National Quality Framework

- the National Quality Framework continue to be implemented within the agreed timeframes.

Workforce

- the ECEC workforce be paid at the same level as comparable professions. Early childhood teachers, for instance, should have pay parity with primary and secondary teachers plus loadings for the extended hours and shorter holidays if working in long day care services.

Service delivery

- programs, such as Partnerships in Early Childhood, that support educators and preschool teachers to focus more on children's social and emotional development, be expanded
- integrated and co-located child and family centres be established in areas of disadvantage throughout Australia
- mobile preschools be funded in disadvantaged areas
- eKindy be made available throughout rural and regional Australia.

Regulation

- government work in partnership with service providers to streamline the regulatory system.

3. About The Benevolent Society

The Benevolent Society is Australia's first charity. We're a not-for-profit and non-religious organisation and we've helped people, families and communities achieve positive change for 200 years.

We help people change their lives through support and education, and we speak out for a just society where everyone thrives.

The Benevolent Society helps the most vulnerable people in society, and supports people from all backgrounds including Aboriginal and Torres Strait Islanders and people from culturally and linguistically diverse communities. We believe that building stronger communities will lead to a fairer Australia.

Our focus is to foster wellbeing throughout life – from infancy to older age with services that:

- prevent problems or reduce their negative impact
- tackle problems early before they become entrenched
- help people use their strengths to solve their own problems

- give priority to people experiencing social and financial disadvantage.

Snapshot

- The Benevolent Society is a secular non-profit organisation with 992 staff and 722 volunteers who, in 2013, supported more than 76,800 children and adults primarily in New South Wales and Queensland.
- We deliver services from 64 locations with support from local, state and federal government, businesses, community partners, trusts and foundations.
- We support people across the lifespan, delivering services for children and families, older people, women and people with mental illness, and through community development and social leadership programs.
- Our revenue in 2012/13 was \$92 million.
- In 2012/13, 83% of our income came from government sources. Private fundraising, trust and foundation grants provided another 4%, client fees generated 7% and investment income contributed 6.5%.
- The Benevolent Society is a company limited by guarantee with an independent Board.

4. Cost and availability of early childhood education and care

4.1 Cost / funding

The benefits of high quality early childhood education and care, both to the individual and to society, have been consistently demonstrated internationally.ⁱⁱ While there has been increased recognition of the importance of, and investment in, early childhood education and care in Australia there is still considerable room for improvement. For the benefits of quality early childhood education and care to be fully realised, it must have a strong and equal partnership with the education system. Just as with public schooling, investment in ECEC needs to be regarded as a public good.ⁱⁱⁱ Inadequate investment often leads to tensions between quality, affordability and accessibility.

In recognition of the importance of early childhood education and care, the OECD recommends a minimum public investment in early childhood services of 1% of GDP. However, Australia's expenditure on pre-primary education is very low at 0.1% of GDP. The OECD average is 0.5% (2009) and New Zealand, by contrast, allocates 0.6% of GDP.^{iv}

The Benevolent Society recommends that over the next decade government increase its investment in early childhood education and care to reach the OECD recommendation of 1% of GDP.

Government funding for ECEC services is currently provided through a range of different mechanisms. The Commonwealth Government provides both the means-tested Child Care Benefit and non-means-tested Child Care Rebate to families who use approved child care services, while States and Territories generally fund (fully or partially) preschool programs in the year before school.

There are very few fully funded public early childhood education and care services. The vast majority of long day care centres and preschools are operated by non-profit organisations or commercial businesses that charge fees. These fees, even with subsidies from government, remain expensive for people on low and modest incomes and in many cases are unaffordable.

The Benevolent Society strongly recommends that early childhood education and care subsidies be better targeted to disadvantaged and low income families as research shows it is these children who benefit the most from high quality early childhood education and care.

The Productivity Commission's report on the early childhood development workforce (2011)^v similarly concluded that *'existing subsidy arrangements deliver disproportionate benefits to relatively well-off families. A move to alternative child care subsidy arrangements that emphasise targeting has the potential to enhance the impact of reforms by ensuring disadvantaged children continue to access quality ECEC services. At the same time, changing the structure of the subsidies is likely to deliver cost savings to the Australian Government.'*

While The Benevolent Society acknowledges that steps are being taken to increase access to preschool education through the commitment to provide universal access to 15 hours of preschool for four year olds, this initiative does not go far enough. Ideally preschool education should be seen as part of the broader education system and funded in full for all children aged three years and up. At a minimum it should be free to disadvantaged and low income families.

In the UK and New Zealand, all three and four year-olds are entitled to 15 hours a week of free early learning and care for 38 weeks a year. In the UK, this entitlement is gradually being extended to every disadvantaged two year-old.

Subsidies for families with children up to the age of three years should also be weighted to support disadvantaged or low income families so that cost is not a barrier to access and workforce participation. The government should explore alternative funding models such as calculating the cost of child care as a set percentage of a family's income. In Sweden, for example, child care fees are set at less than three per cent of a family's gross income. There are reductions for second and third born children. Families with four or more children do not pay for child care for the fourth child.

Ideally, funding for early childhood education and care should be provided direct to services rather than to families. It can be particularly difficult for families with poor literacy to navigate the system, understand their entitlements and the net costs to them. Providing funds direct to services removes the administrative burden on families and reduces their out of pocket expenses. We also suggest that the majority of funding go to not-for-profit providers as is the case in the school system.

The Jobs, Education and Training Child Care Fee Assistance (JETCCFA) program is another important means of making early childhood education and care affordable to parents receiving income support, while they work, study or train to enter or re-enter the workforce.

However, the experience of our services is that there is a lack of awareness among job seekers with young children as to its availability. The Benevolent Society recommends that JETCCFA funding also be provided direct to services to facilitate access to this assistance.

The Productivity Commission also found that *'The proportion of children with additional needs appears to be increasing, and they are currently underrepresented in ECEC. To increase access for children with additional needs, further support is often required. This can include, for example, employing an additional 'inclusion support' worker or obtaining advice about including children from culturally and linguistically diverse backgrounds.'*

The Productivity Commission also concluded that *'Government funding to support access to ECEC services for children with additional needs is currently inadequate. In many cases, the limited funding that is available is provided on a short-term basis, does not fully cover the cost of employing additional support staff, and is onerous to apply for and maintain.'*

In addition, the process by which centres apply for the Special Child Care Benefit needs to be simplified and streamlined. The current paper based system is administratively complex. It is very time consuming and needs to be repeated every 13 weeks, if it can be repeated. The threshold for accessing this benefit is also too high.

The Benevolent Society strongly recommends that the threshold for the Special Child Care Benefit be lowered and that the benefit cover a 52 week period/per year. An online system should be developed to make applying easier as it is very often only a short term one-off solution. Funding should also fully cover the cost of employing additional staff.

4.2 Availability

Access to quality early childhood education and care can be very challenging for families living in rural and remote areas. Barriers include distance and lack of transport as well as difficulties for providers in attracting a qualified workforce.

To improve access to early childhood education and care in rural areas, incentives need to be available to encourage the early childhood education and care workforce to relocate to rural and remote areas. This could include assistance with the cost of relocation, subsidised housing and higher wages.

The government also needs to think creatively about how early childhood education and care is delivered. eKindy, for example, is a distance education program for Queensland children who are unable to regularly access a centre-based kindergarten program. eKindy allows children to take part in teacher-delivered web lessons, and interactive online and in-home activities.

The Benevolent Society recommends that eKindy be made available throughout rural and regional Australia.

5. Current regulatory environment

While regulation is important to maintain high quality standards, the current system is over-regulated and inconsistent regarding how regulations are applied. Efficiencies and cost savings could be achieved if the government worked in partnership with service providers to create a transparent, streamlined assessment and ratings process.

The New Zealand model of assessment and rating should be explored. It involves working in true partnership with centres to develop practice. Assessors develop meaningful and long term relationships with clusters of centres working together to develop practice.

It is also our belief that managers would be better supported in their role if assessors had an early childhood education and care background and experience in the sector.

6. Productivity and workplace participation for parents

It is important that the availability of early childhood education and care reflects the changing nature of families and employment patterns. To facilitate workforce participation and ensure children can safely be cared for in quality settings, it is essential that there is greater flexibility in the service system.

For example, while long day care offers some flexibility it still does not cater to the needs of shift workers. Preschools tend to operate for an even shorter period and can be particularly incompatible with workforce participation.

The capacity of the sector to deliver services outside standard hours needs to be enhanced to accommodate the needs of both parents and children. The hours spent in ECEC should, however, continue to be capped at 50 hours to ensure the interests of the child remain paramount and that children aren't in care for extended periods of time.

It is important to note, however, that attracting and retaining fully qualified staff is an ongoing challenge for the sector. To ensure it is economically viable for services to provide more flexible hours, it may be necessary to provide additional subsidies to services to cover the wage costs associated with evening and weekend work.

7. Outcomes for children in early childhood education and care services

7.1 Quality regulation

Research shows that high quality ECEC programs have a positive impact on the health, learning, development and wellbeing of children who participate, particularly children from disadvantaged backgrounds.

Positive outcomes are, however, dependent on the quality of the care. The quality is critical because it can either mitigate or exacerbate the impact of disadvantage. While good quality early childhood programs have positive benefits for children and families, poor quality environments can lead to adverse outcomes and pose a risk to children's development.

The quality of the care and education available to children in formal ECEC is intrinsically linked to staffing. The central features of a good quality service are the qualifications of staff, consistency and tenure of staff and staffing arrangements, and the relationships that staff build with children, families and communities.

The Benevolent Society supports reforms to improve the quality of ECEC services. It is also hoped that the reforms will have a positive impact on staff turnover and stability of care as both have been found to be strongly correlated to positive child outcomes.

7.2 Workforce factors

Qualifications

Recent research found significant positive associations between preschool attendance and Year 3 NAPLAN scores, particularly in the domains of numeracy, reading and spelling. It also found that children whose preschool teacher had a degree or diploma in early childhood education or children's services gained the most from attending preschool.^{vi}

To comply with the National Quality Framework, it is important that every effort is made by government to facilitate workers upgrading their qualifications including heavily subsidising training as the cost of upgrading may be prohibitive for many workers who are currently working for unreasonably low wages. Staff upgrading their qualifications should then be appropriately remunerated as a further incentive and acknowledgement of the value of the profession.

Consideration should also be given to acknowledging prior learning in other relevant professions as well as skills acquired on the job. This may enable qualifications to be completed more quickly.

It is essential, however, that quality is never compromised. There is some concern about the quality of training being provided by some private Registered Training Organisations which is resulting in some staff obtaining a qualification without having the skills to do the job. It is important that there is greater scrutiny of course delivery and that curricula reflect the core competencies needed to do the job.

Consideration should be given to developing common curricula for health, welfare and education students. It can be argued that these professions share the same core knowledge and skills and developing core competencies would enable greater flexibility for workers to move across sectors.

People from Aboriginal and CALD backgrounds can face additional barriers in terms of access to training, language barriers (in the case of CALD communities), and in the cultural appropriateness of the training institution and learning environment.

There needs to be greater recognition of cultural competency skills demonstrated by Aboriginal and CALD educators in formal curricula and competency based equivalence assessments for skills learned on the job.

As discussed in the Productivity Commission's report into the early childhood development workforce '*To meet the goals of the Closing the Gap: National Partnership Agreement on Indigenous Early Childhood Development and the COAG ECEC reforms, more educators, and more highly skilled educators, will be required to work in Indigenous focused services. To support service level workforce planning and to provide for greater certainty to facilitate more effective attraction, retention and training of staff in Indigenous focused services, governments should:*

- *give priority to the provision of quality ECEC services for Indigenous children, without passing on extra costs to parents*
- *provide multiple year funding for Indigenous-focused ECEC services. (Rec. 14.3)*

Other areas of disparity between the early childhood education and the broader education sector need to be addressed in order to attract and retain workers in the ECEC sector. Areas of inequity include access to funded professional development, clearly defined career development pathways, administrative support and adequate paid preparation time.

Pay parity

To attract and retain highly skilled people in the sector, it is essential that they are appropriately remunerated. It is recommended that early childhood teachers, for instance, have pay parity with primary and secondary teachers as well as loadings for the extended hours and shorter holidays.

7.3 Environments for learning

Casestudy: Partnerships in Early Childhood (PIEC)

PIEC is a program run by The Benevolent Society in conjunction with early childhood education and care organisations in NSW, Queensland and South Australia.

Through staff development and support for parents, PIEC aims to improve the quality of early education and care and, in so doing, enhance children's social and emotional development. The focus is on building nurturing and supportive relationships between children and adults. It is based on research on attachment and early brain development that tells us how important it is for children's futures that they experience secure, nurturing relationships in their first few years.

PIEC comprises three main components:

- *attachment training for educators using the Circle of Security model*
- *playspaces – workers stay in one place during transition times providing a predictable environment for children as they know where to find workers if they feel upset*
- *developing reflective practice – educators are supported to reflect on children’s behaviours and understand the behaviours from an emotional needs perspective.*

The Benevolent Society commissioned the Social Policy Research Centre at the University of New South Wales to evaluate PIEC. The evaluation found that:

- *the social and emotional development of children attending participating centres improved*
- *peer problems (such as being picked on) decreased, as did conduct problems such as fighting*
- *there were improvements in the quality of care at participating centres*
- *children’s prosocial behaviour (such as sharing and helping) increased.*

PIEC operates in 18 centres in NSW (funded by the Commonwealth Department of Social Services) and two centres in Queensland (funded by the Queensland Department of Education and Training, Office for Early Childhood Education and Care) and two in South Australia (funded by Goodstart).

The Benevolent Society recommends that programs, such as Partnerships in Early Childhood, that support educators and preschool teachers to focus more on children’s social and emotional development, be expanded.

8. Impacts of the announced government amendments to the NQF

The Federal Government has a critical role in the ongoing implementation of the National Quality Framework.

The Benevolent Society supports the continued implementation of the National Quality Framework within the agreed timeframes. As discussed, research shows that early childhood education and care leads to a wide range of benefits including better child well-being and learning outcomes, more equitable child outcomes and reduction of poverty, increased intergenerational social mobility, more female labour market participation, increased fertility rates and better social and economic development for the society at large.

All of these benefits are, however, conditional on ‘quality’. Expanding access to services without attention to quality will not deliver good outcomes for children nor the long term productivity benefits for society. Furthermore, research has shown that if quality is low, it can have long-lasting detrimental effects on child development, instead of bringing positive effects.

9. Integrated child and family services

As discussed, research shows that children from disadvantaged backgrounds benefit the most from early childhood education and care. We also know that delivering supports to families via integrated and co-located services has many benefits.

As such, The Benevolent Society believes that one of the best ways to support disadvantaged families is to embed high quality early childhood education and care in integrated child and family centres where emerging issues within families can be identified early and a range of wraparound health and welfare supports provided.

Child and family centres offer families ‘soft’ entry points and seamless access to universal and targeted services. Getting support in one location is not only more convenient for families it also produces better

outcomes for children. Integration allows individuals and families to receive the help they need, when they need it, without having to go to several services and undergo multiple assessments.

The Benevolent Society runs three Early Years Centres (EYC) in Queensland, covering nine sites, plus mobile outreach. The Centres are one-stop shops supporting the health, wellbeing and safety of families who have young children from conception to eight years.

Each EYC is located in a socio-economically disadvantaged area (according to the SEIFA index) with high numbers of children who are developmentally vulnerable on one or more domains according to the Australia Early Development Index (AEDI). The centres are staffed by a multidisciplinary team through partnerships between The Benevolent Society, Queensland Health, Aboriginal and Torres Strait Island social service providers, the Crèche and Kindergarten Association (C&K), and other local service providers.

The EYC model was deliberately designed to provide seamless access to a range of services to address families' needs, including:

- quality early childhood education and care services, such as long day care and approved kindergarten (preschool) programs
- parenting information, workshops and groups
- family support programs including home visiting
- counselling
- playgroups and supported playgroups
- toy libraries
- advice on child health and development
- health screening, assessments and immunisations
- pre- and post-natal support
- peer mentoring
- pathways to education and employment initiatives.
- referrals to other programs and specialist services, such as speech therapy and other allied health services.

In January 2013, the Queensland Department of Education, Training and Employment published the results of an evaluation of the Early Years Centre initiative.^{vii}

The results of the evaluation indicated that developmental, social and behavioural outcomes for children had improved, parenting skills and families had been strengthened, and outcomes for vulnerable families enhanced. In addition, it is reported that the EYCs helped to contribute to community inclusion, connections and supports.

Similarly, in NSW, The Benevolent Society runs an Early Years Centre which adopts a family focused approach whereby early childhood education and is delivered alongside parenting education, family support, child and family health services, as well as professional home visiting.

The Spilstead Model^{viii} on which this program is based is characterised by interdisciplinary team case management, single governance, and the use of evidenced based interventions and evaluation in child development (early education, child/family health, parent-child attachment relationship, parenting programs and family support). This parent-child model of practice enables families to flexibly tap into supports they need, and develop a partnership with a consistent team of professionals over a prolonged period of time.

The Benevolent Society recommends the establishment of integrated and co-located child and family centres in areas of disadvantage throughout Australia.

The Benevolent Society has also had considerable success in accessing 'hard to reach' families using mobile playgroups and preschools.

TBS recommends that governments fund mobile preschools in disadvantaged areas so that we can take preschool to the people in order to promote the benefits of early education to disadvantaged families, increase attendance by their children and help strengthen the home learning environment. The viability of using mobile playgroups and preschools in rural and remote communities should also be explored.

ⁱ The Benevolent Society. (2012). *Family joblessness and pathways to employment*.

ⁱⁱ UK Department for children, schools and families. (2010). *Early intervention: Securing good outcomes for all children and young people*.

ⁱⁱⁱ Brennan, D. (2008). *Building an international research collaboration in early childhood education and care*.

^{iv} OECD. (2012). *Education at a glance 2012: OECD indicators*.

^v Productivity Commission. (2011). *Early childhood development research report*.

^{vi} Warren, D. and Haisken-DeNew, P. (2013). *Early Bird Catches the Worm: The Causal Impact of Pre-school Participation and Teacher Qualifications on Year 3 National NAPLAN Cognitive Tests*.

^{vii} QLD Department of Education, Training and Employment (2013). *Evaluation of the Early Years Centre initiative: summary report*.

^{viii} Gwynne, K., Blick, B., & Duffy, G. (2008). Pilot evaluation of an early intervention programme for children at risk. *Journal of Paediatrics and Child Health*, 45, 118-124.

^{viii} Warren, D. and Haisken-DeNew, P. (2013). *Early Bird Catches the Worm: The Causal Impact of Pre-school Participation and Teacher Qualifications on Year 3 National NAPLAN Cognitive Tests*.