

**Gowrie**  
South Australia

Committee Secretary  
Senate Education and Employment Committees  
PO Box 6100  
Parliament House  
Canberra ACT 2600

To whom it may concern

Please find attached a submission on behalf of Gowrie SA to the Senate Education and Employment References Committee Inquiries into the immediate future of the childcare sector in Australia and the delivery of quality and affordable early childhood education and care services.

The attached submission is based on our submission to the Productivity Commission's Inquiry into Child Care and Early Childhood Learning but we trust it will also be relevant to the Committee's ongoing Inquiries.

We would be happy to appear in person before the Committee to answer any questions you may have regarding our submission.

Sincerely



Kaye Colmer

Chief Executive Officer

Gowrie SA

16<sup>th</sup> March 2014

## Gowrie SA Response to Senate Inquiry

To begin with we would like to quote from work undertaken by Gowrie Australia. We advocate that the Senate Inquiry “uphold the present reform agenda and continue support for the strengthening of young children’s learning and development in early childhood education and care”.

The Australian reform agenda is based on sound international evidence from research and practice aiming to:

- Dramatically strengthen young children’s learning and development in early childhood education and care
- Raise the qualifications and competence of the Australian early childhood education workforce
- Provide positive and inclusive services for Aboriginal and Torres Strait Islander families, refugee, migrants, children with additional needs, and families facing economic hardship
- Provide peace of mind for working families that their children’s emotional, social, physical and intellectual development are being promoted in early childhood services
- Minimise the risks to Australia’s future economy by ensuring preschoolers begin school with the knowledge, skills and dispositions for learning and future academic success. (Gowrie Australia, 2013).

We would also like to draw attention to the long term economic benefits afforded by quality provision of early childhood. Furthermore, from our own experience of operating early childhood services it is absolutely possible within the current requirements of the NQF to operate a successful business that also delivers high quality outcomes for children and their families. We would also like to draw attention to the report by Brennan & Adamson, 2014 that outlines the economic benefits for the economy and possible fine-tuning of funding arrangements.

### Section 1: Introduction

***The current regulations have been developed based on extensive national and international research and designed to minimise risk and maximise children’s learning and development, safety and readiness for school.***

We believe that access to affordable, high quality child care can contribute to:

#### (a) Workforce Participation

DEEWR reports show increasing participation of women in the workforce rising from 52% from Jan 1991 to 58% in March 2010 (DEEWR, 2010). This increase coincided with significant growth in Australian Government support for the development of child care places and it could be assumed these events are connected.

#### Impact on workforce participation

*Anecdotal information from families links service quality with peace of mind to attend work related activities. Child learning and wellbeing outcomes are high on parents' priorities. This connection cannot be underestimated and families will leave poor quality services if they can access a place for their children in a higher quality service.*

#### (b) Child learning and wellbeing outcomes

The Australian system should continue the reforms developed by successive Australian Governments to develop a robust system based on existing international and Australian research. There is significant evidence that shows the contribution that high quality care and education makes to children's brain development, learning, and wellbeing outcomes (Cleveland & Krashinsky n.d.; National Scientific Council on the Developing Child 2012; OECD 2014; Shonkoff 2010).

The Australian system needs to be built on research findings that care and education of children 0-5 is integrally connected (Bretherton 2010; OECD 2014). There is a significant body of evidence that demonstrates the importance of the period birth to three years for children's social, emotional and cognitive development. These reports have been widely endorsed in documents produced by state and territory governments (OECD 2014).

Neuroscientists have found that the first three years are the period of the most rapid growth during which there are specific sensitive periods for optimal learning in particular areas. It is now understood that the impact of early experience has a greater influence on development than heredity (Shore 2001). By the time a child is three years old, 90% of their brain has been developed (Perry 2000). The implications of these findings from neuroscience, therefore, place a premium on the quality of relationships and learning environments for babies and toddlers which need to be accounted for in service provision (MCEEDYA).

#### (c) Benefits of early childhood services

High quality services which combine aspects of universality and targeted parenting, education and care programs support families to access 'local' services from within their broader community.

Results from the Australian Early Development Index (AEDI) show there are pockets of disadvantage in every community. There is value in having services that offer quality programs for children and families from mixed socio-economic backgrounds (i.e. services are not specifically established for only vulnerable children and their families). This prepares children for the future to participate and work with the diversity currently in our workforce.

*Gowrie SA has worked with families with complex backgrounds (including trauma, domestic violence, substance abuse and mental health issues). Being able to attend parenting programs within the Child Centre helps support them, reduces their social isolation through meeting other families, and builds their confidence. Families are supported through being exposed to positive parenting styles of diverse families and through the creation of a social support network. This work improves children's wellbeing and learning.*

#### Section 2 – Types of ECE (Quality)

(a) Rationale for quality

Quality ECEC can be provided in different forms to meet the needs of local communities and families. Where services are required to meet regulations and the quality of services is assessed as under the NQS, the level of quality and outcomes for children is improved. Transition to schooling is likely to be more successful when children have accessed an education and care system which includes early childhood teachers and qualified educators, such as you would find in long day care and preschool.

*Feedback from families that have accessed Gowrie SA identifies that where children have enjoyed continuity of attendance and education and care from qualified educators who form long term relationships with families, their transition to school has been successful. Children have had opportunities to acquire the learning dispositions and social confidence required in a school environment.*

As cited in the Productivity Commission Issues Paper (2013, pp. 11-12), research has shown the cognitive and language benefits of attending high quality programs for children from birth to three years. The Issues Paper also highlighted the detrimental social and behavioural impacts of low quality services.

Research and evaluations have been undertaken which demonstrate that high quality care and education can provide support for children and families where there are complex factors that can result in emotional and behavioural difficulties (AEDI; Alyward & O'Neill 2008). For young children from low income families, participation in very high quality, centre based early education programs has been demonstrated to enhance child cognitive and social development (Centre on the Developing Child 2007). Meta analyses conducted of the effects of early care and education for vulnerable children in poor communities confirm the lasting positive effects from early preschool education and care (Fuerst & Fuerst, 1993; Lazar & Darlington 1982; Sylva & Wiltsher 1993). Furthermore the research highlights the links between positive outcomes for children and the quality of early programs and helps delineate characteristics of quality pedagogy and effectiveness (Elliott 2006).

This evidence provides a compelling rationale for continuing to work towards high quality services offering group education and care. While all children have a right to access high quality, integrated care and education services, there are sound social and economic justifications for a quality Australian system.

(b) Integrated programs (i.e. programs which integrate rather than segregate by narrow age ranges and combine care and education, see [www.gowriesa.org.au](http://www.gowriesa.org.au)).

'Amalgamated or merged child care systems tend to produce better quality outcomes for children' (ECA 2011; OECD as cited in Bretherton 2010, p.14; Rinaldi 2013). Flexibility offered through an integrated program supports the workforce participation of families. This includes integrated child care and preschool as well as before and after school care services and children's centres.

*At Gowrie SA integrated infant and toddler groups were established in January 2011. These groups have 12 children between 0 to 3 years of age with the same 3 educators each day. Research has been undertaken demonstrating that when children are in the same group with*

*continuity of consistent and responsive educators over an extended period, they are more secure and confident and the educators have a sound knowledge of their context and background to support their individual learning and development needs (Rutherford & Whittington, 2013).*

(c) Limitations of in-home care, nannies, informal care options

There are currently no requirements for minimum qualification levels for nannies or providers for in-home or informal care. The qualification requirements for Family Day Care are limited to a Certificate III which is an introductory course that has limited educational components and does not develop sufficient understanding to be able to provide an education and care service without qualified support.

*Within our schooling system there has been a move towards minimum four year qualification requirements. If we prioritise the education and care of school age children to this extent why we would expect so much less for younger children who are in the most crucial developmental phase of their lives?*

FDC providers and nannies do not receive direct supervision, and may only have minimal professional guidance or support. They are working in isolated environments where there can be little intellectual stimulation such as is available in a team environment where there is a mix of qualifications and experience. When accessing care and education services where there is limited opportunity for children to interact with a group of peers, educational, emotional, social and wellbeing outcomes could be compromised.

(d) Rural & remote areas

There are particular difficulties in rural and remote areas to access care and education that is flexible to meet family needs. There are difficulties in attracting qualified educators to work longer term. There are existing models that meet rural and remote demands which could be further developed including the concept of 'playcentres' which combine education and care. Services for remote areas need to be linked into existing community services and could include innovative models such as mobile services. Other innovations could include upskilling local community people to achieve qualifications to deliver services. This could be particularly important in remote Aboriginal communities.

A robust system that can meet family needs, but which complies with an equivalent standard of quality is required. Such a system requires systematic development over the longer term where services may look different in different communities.

### Section 3 – Availability and cost of childcare and early learning

(a) Equity in government fee support and simplification of funding arrangements

Parental means testing for government funding subsidies such as the Child Care Rebate (CCR) would provide equity for families. Currently family out of pocket expenses are similar after government subsidies regardless of the level of family income (Productivity Commission Issues Paper, p. 21).

The analysis in the Productivity Commission Issues Paper highlights that child care has remained affordable with current **net** child care fees comparable in dollar value to 2003. The government rebate (CCR), has reduced the financial burden on families. Conversely for disadvantaged families, the gap fee remains a significant barrier and has reduced affordability and access. The fee system needs to be reviewed to support equity of access.

However the perception among families is that child care is becoming unaffordable. A key reason for this is the complexity of the system with fees as billed by the centre after CCB but not always accounting for CCR (based on parent choice). The separation of these two funding arrangements has reduced access for families who are socio-economically disadvantaged, created perceptions that child care is more expensive than it is in real terms and probably afforded unnecessary support to the wealthiest families. We advocate for CCR being applied directly to family accounts in the same way that CCB is currently managed.

*We have had families that have CCR paid directly to them rather than directly to the service. In some cases, the account for child care has remained unpaid even though the family has been in receipt of CCR. Unpaid fees create a burden and debt risk to families and services. Where families have CCR paid directly to the provider, their account becomes more manageable and the family is more likely to make a direct link between CCR and child care fees.*

#### (b) Availability of ECEC places

Accessibility of ECEC services is an issue in some areas, but context needs to be considered. Many families are increasingly aware of the importance of high quality services and will no longer accept or tolerate poorer quality services for their children's education and care. The limited availability is therefore likely to be linked to access to high quality ECEC services. The current measures which support quality improvements are therefore vital to ensure all families are able to access quality services.

### Section 4 – Flexibility, viability of ECE options

#### (a) Viability

A well-run high quality service is viable. Gowrie SA Child Centre has been successfully meeting and exceeding the national regulations in its commitment to providing high quality early childhood education. Gowrie SA currently employs 23 Diploma qualified educators, 6 state registered teachers, and 3 Certificate III trained educators (2 of whom are studying towards their Diploma). We remain viable while exceeding NQF requirements and have a commitment to ongoing study and learning for our educators which is incorporated into our budget.

Contemporary demand for early education and care services requires services to adapt to the needs of their particular local contexts. Gowrie SA has adapted to meet the National Quality Framework by engaging with emerging research and practices. Through internal and external research into the effect of integrated infant-toddler programs, Gowrie SA has identified the capacity of the National Quality Framework for increasing staff retention and fostering professionalism of early childhood staff through continued professional learning. High quality early childhood education is characterised by a predictable and secure

emotional environment, which is a key foundation for positive learning dispositions.

Running a high quality service requires ethical business practices and sound knowledge as well as a commitment to high quality principles. Many high quality services have already made the transition to more qualified staff and higher educator:child ratios, which has not had a significant impact on viability.

Flexibility trials are currently in place regarding extended hours provisions, and can provide insight regarding the demand and any issues. There are also services already offering extended hours and overnight care, such as City Community Children's Centre in Adelaide, South Australia, established 1987 (<http://www.cityccc.org.au/>).

For an existing service, offering additional components such as overnight care is not cost effective because demand is inconsistent. Furthermore, safety is a key concern with centre-based extended care models. WHS and child protection requirements necessitate a minimum of two educators both of whom should hold first aid training. Another factor is that such care arrangements disrupt a child's routine and sleep patterns which can prove an added difficulty for families. The low demand for such services by families suggests that families may be aware of the inconvenience and risk and may not consider a service of this nature to be in the best interest of their children. This may be an area where in-home care is more suitable, but there are safety and child protection risks to children to be considered.

#### (b) Outreach models

Funding models need to take into account the contexts of rural and remote services, and the demand for education and care that exists in those communities. Services in areas of disadvantage require additional targeted funding to achieve viability and quality for their community. For rural and remote areas, there are also real difficulties in recruiting and retaining qualified educators (Elliott 2006).

#### (c) Taxation arrangements for ECEC services

The tax benefits gained by community not-for-profit services and privately owned services respectively are not currently documented. Although community based centres may benefit from not paying state payroll taxes, for-profit centres and their owners benefit from the complex income tax provisions applying to personal and company tax arrangements. There currently is little knowledge of levels of profitability and no regulation for the distribution of profits back into services. Regulations about reinvestment should be developed as, 'there is an inherent contradiction between quality and profit' (Fenech, Guigni & Brown 2012, p. 10).

### Section 5 – Government regulation

#### (a) NQF – new regulations and costs

The benefits of current regulatory requirements are to establish a base level of quality and to ensure national consistency in quality of education and care for children. Over the past 10 years, the sector has undergone many changes, including the NQF.

Costs of implementing the NQF include educator to child ratio increases, qualification requirement increases and administration requirements. Gowrie SA has made a priority of

employing qualified educators (and having above the minimum level of child:educator ratios) because of the documented correlation between educator qualifications and the quality of program being offered (Rutherford & Whittington, 2013). We are able to remain affordable in comparison to other local centers, whilst still maintaining above required ratios and a commitment to equity, quality and early education.

"The principal elements that consistently produce positive outcomes from (ECEC) programs are highly-skilled staff, small group sizes and warm, responsive interactions between staff and children. Children's early relationships are the foundation for their social/emotional competence and knowledge construction. The quality of care for children birth–3 is particularly important because of the sensitivity of brain development during this period" (Rutherford, 2013, p. 28).

Initial transition to the NQF may have created an additional administrative burden, particularly for services that did not meet the baseline standard. However, since it was introduced in 2009 and implemented from 2012, the level of administrative burden has progressively declined over the past two years (ACECQA report, p. 11).

A significant cost in meeting NQS requirements is assessing and documenting children's learning. Assessing and planning for children's learning is a crucial aspect for ensuring a quality educational program (ACECQA report, p. 12). Again this is a requirement that Gowrie SA and many other early childhood services have met for many years.

## Section 6 - Risk to Government

### (a) Government accountability for services provided

There is a risk to Government in promoting models of care which could be detrimental to children and families (see for example the Debelle Inquiry report). This includes but is not restricted to increased risk of child protection issues in models where there is a single provider, poor supervision of staff, inadequate staff professional understanding and training and weak regulations.

Poor quality services where children do not have access to qualified educators mean developmental risks for children, such as poorer social and emotional development, lower vocabulary and poorer cognitive outcomes. These deficits impact on school readiness and longer term engagement in education.

There is also a risk of abuse of government funding which is minimised when formal business arrangements apply to services. The current models of government regulation provide accountability of providers and value for money for government, including transparency and accountability in the use of government funding such as CCB and CCR.

### (b) Longer term benefits

Studies show that investment in the early years saves significant investment later on in life (AEDI; Heckman 2000; Ludwig & Sawhill 2006; McCain & Mustard 1999; Mustard 2008). According to Mustard (2007) high quality universal early child development programs could reduce the costs of mental health and crime to individuals and society by more than 50%.

## Section 7 – Workforce issues

### (a) Leadership of services

Early childhood leadership is a key factor in the provision of viable high quality education that meets the national regulations. Effective leadership has strong implications for retention of educators and the capability of services for meeting challenges posed by education reforms (Fenech 2013).

The vulnerability of the early childhood education workforce, along with high rates of casualisation contributes to challenges in meeting reforms (Elliott 2006). Appropriate remuneration of early childhood educators is a continuing issue and impacts on the attraction and retention of qualified educators (Bretherton, 2010).

### (b) Ongoing professional development

A key support measure for ECEC services is the provision of the Inclusion and Professional Support Program. Professional Support Coordinators (PSCs) provide professional development and support to education and care services to improve quality and outcomes for children.

This is evidenced by services accessing support after not meeting NQS requirements and then improving their service's quality to meet requirements in follow up assessments.

Education and care services access the PSC to support implementing the NQS, and provision of training and guidance is linked with reducing the administrative burden (ACECQA 2013, p. 12). Ongoing professional development and learning for educators is linked to ongoing provision of quality outcomes for children and families. In early childhood centres change is continuous as new children and families enroll and children's learning is constantly changing. Research has shown that curriculum development requires collaborative input to be responsive to children and families and changing societal needs.

A national report for the Professional Support Coordinators demonstrated the importance of ongoing professional development in child care (Waniganayake et al. 2008), to inform curriculum, program and child development, as well as mandated training such as child protection and first aid. Development of programs in early childhood should be viewed in a similar way to education where teachers have ongoing opportunities for collaborative professional development. This is particularly important in ECEC where groups of educators work together in delivering education and care programs.

*Professional development is “a process aimed at building understanding and awareness of the meanings and methods of education, the central qualifying points of the educational project, and the specific competencies of the various professional roles. Ongoing professional development is both the right and duty of each individual and of the group, and is included and taken into consideration in the work schedule and organised collectively...” (Rinaldi 2012).*

This quote reinforces professional expectations of early childhood educators in their day-to-day role and explains the concept of professional learning as integral within professional development and inherently linked to outcomes for children.

### In Summary

Gowrie SA has a long history offering educational, health, community and parenting programs, and a strong commitment to social justice and equity principles for children and families. We are a strong advocate for high quality programs and a robust regulatory system which protects and enhances the wellbeing of children and families and the professionalism of educators.

We believe this response to the Productivity Commission Inquiry will help inform future directions for early childhood education and care in Australia.

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