



**SUBMISSION TO THE  
PRODUCTIVITY COMMISSION INQUIRY INTO  
CHILDCARE AND  
EARLY CHILDHOOD LEARNING**

**February 2014**

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## About Early Learning Association Australia

The vision of Early Learning Association Australia is “excellence in early learning for every child”.

We strive to realise our vision by supporting our members to provide quality, affordable and accessible early childhood services; through our advocacy and contribution to policy debates on the social and economic value of early learning; and through our collaboration with all levels of government and the education sector to share knowledge and champion high quality early learning outcomes for all Australian children.

ELAA represents over 1200 service providers in Victoria and across Australia. Our diverse membership base includes independent kindergartens; cluster managed services; local governments; integrated services; long day care services; government and independent schools; and out of school hours care programs.

For over twenty years, ELAA (formerly Kindergarten Parents Victoria) has worked with members, peak bodies, Commonwealth, State and local governments, and other stakeholders to promote and support the provision of quality early childhood services to children, and to help ensure that these services are accessible and affordable for families.

ELAA’s membership base and our long-term relationships with government, make our organisation an effective advocate for the sector, able to identify opportunities for realistic funding and support to ensure the sector is able to deliver high quality early childhood education services to children.

Working with our members and partners, ELAA is an influential voice for reform and development in the early childhood sector. Our collaborative approach has involved positive working relationships with a diverse range of organisations and peak bodies from across the education and community sectors.

## **Executive Summary:**

ELAA welcomes the opportunity to provide input to the Productivity Commission's Inquiry into Childcare and Early Childhood Learning. We believe that high quality early learning enriches the development and wellbeing of all children and is of particular benefit for disadvantaged children and families. Australian and international research shows how important early experiences are for a child's long term development. As a consequence, we need to find ways to ensure that families have access to affordable high quality education and care that is available where and when it is required. Affordable and high quality care will provide the confidence for parents to return to work knowing their children are getting the best possible start in life.

This inquiry provides a critical opportunity for governments, and for the community as a whole, to reconsider the key question of where childcare and early learning sits in the Australian policy landscape and to consider the funding options that best support the appropriate policy response.

This submission follows the Scope outlined in the Terms of Reference for the Inquiry. Key recommendations are summarised below.

## **Section 1: Contribution of access to affordable, high quality early years education and care**

### **Recommendations:**

- Continue to implement the NQF within the timeframes agreed by all Australian governments.
- Continue to work with State and Territory governments to ensure the continuity of Universal Access funding and provisions.
- Support all early learning services to implement the NQF, ensuring the delivery of high quality services to all Australian children, including children from disadvantaged families.
- Maintain requirements of the NQF, particularly those for increased qualifications for educators and improved ratios of educators-to-children.
- Support the development of a high quality, professional early childhood workforce including through the provision of appropriate remuneration that acknowledges the importance of the work that educators do with children in early learning settings.

## **Section 2: The current and future need for child care in Australia**

### **Recommendations:**

- Improved planning across all levels of government to ensure that the demand for early learning services is met. This is particularly important in areas of rapid growth.
- Combine Child Care Benefit and Child Care Rebate into a single payment directly to services to simplify the currently complex system.
- More flexible models of child care for rural areas where there are inadequate numbers of children to sustain long day care programs.
- Support for transition programs that develop partnerships between playgroups, preschools, schools and families.

## **Section 3: Specific models of education and care for trial or implementation in Australia**

### **Recommendations:**

- Evaluate and explore opportunities for further roll-out of models of education and care that are currently successfully supporting disadvantaged families and children (refer to Section 3 for details).
- Resource and support universal early childhood services to fully include all children, including children from disadvantaged backgrounds, children with disabilities and those with additional needs.
- Ensure that training providers are skilling-up educators to better work with disadvantaged children and families.

#### **Section 4: Options for child care support for Australian families**

##### **Recommendations:**

- Ensure the full cost of education and care is covered for all vulnerable children.
- Combine Child Care Benefit and Child Care Rebate into a single payment directly to services to simplify the complex system currently in place.
- Ensure that quality is central when considering alternative models of care.
- Ensure existing services are not disadvantaged by the introduction of new models of care.

#### **Section 5: Benefits and impacts of regulatory changes**

##### **Recommendations:**

Reduce the administrative burden for services by:

- Streamlining reporting requirements and systems across Federal, State and Local Government.
- Improving government regulation of training providers to ensure a consistent supply of high quality graduates so that service providers do not have to invest further resources into retraining.
- Adopting the recommendations of the *ACECQA Report on the National Quality Framework & Regulatory Burden*.
- Simplifying the current system of Registered Care for Child Care Benefit.

### **Where should early childhood education and care sit in the Australian policy context?**

Underpinning our current system of childcare and early learning is the care/education dichotomy which has its basis in the beginnings of childcare in Australia and is in part responsible for the way the sector is organised today.

Historically, there have been two strands to childcare in this country. The first strand, preschool education, had its origins in the German kindergarten movement, with preschools opening in Australia in the late 1890's. Their purpose was educational, with programs running between 9am and 3pm each weekday designed to prepare young children of at least three years of age for school.

The other strand – day nurseries or crèches – commenced in the early 1900's from a welfare perspective. These services were designed to provide care and supervision for the children of working mothers, with single mothers given priority. "Care was provided for children aged between two weeks and three years of age, between 7am to 6:30pm daily. These service hours were adjusted to the needs of the working women" (McGurk 1996).

Empirical research over the past two decades has shifted our thinking and shaped our current approach to the early years. Globally, it is widely accepted that education and care are two sides to the same coin, and cannot be separated. We now know that children learn from birth irrespective of the settings in which they are cared for (refer to Section 1). The introduction of the National Quality Framework (NQF) bringing childcare and early learning programs together under a uniform set of aspirational standards is a clear acknowledgement that policy makers have moved away from the care/education dichotomy. The NQF has played a key role in elevating childcare provision to a professional level and in recognising the formative educational role it plays in the lives of children.

However, while recent reforms have tried to minimise or eliminate the historical distinction between the delivery of educational and care-based services, separation remains and is most evident in the way in which these services are funded. Preschool or kindergarten funding is currently the responsibility of State and Territory departments of education around the country, while funding for childcare is still connected to our Federal welfare system and paid to parents and carers via Centrelink.

Governments and sector organisations around the world have worked together successfully to progress a sectoral transition from welfare-based to education-focussed, with an evolving understanding of the centrality of outcomes for children. This Productivity Commission inquiry represents a critical opportunity for Australian governments and the community as a whole to consider again the key question of where childcare and early learning sits in the policy landscape. ELAA is confident that the public submissions and hearings process will assist the Commission to deliberate on the current structure of the sector and consider realistic and appropriate policy and funding options that would enable this ongoing transition.

### **How do we balance affordability and quality in childcare and early learning?**

ELAA believes that providing affordable and accessible early learning programs for families should not simply be viewed as a means of releasing parents, particularly women, into the workforce. The needs and best interests of children themselves must be considered of paramount importance during the course of this inquiry. Quality early learning is a vital investment in our children's future

and in the social and economic future of the nation. For all children in early learning environments, it is the quality of the learning experience that matters most, particularly for the most vulnerable children (refer to Section 1).

Another key question to consider is the primary purpose of early learning. Is it solely to support higher numbers of women to participate in the workforce or is it to ensure that we lay strong foundations for our children now to benefit the community and our economy at a future date? While the two need not necessarily be mutually exclusive, ELAA believes the primary purpose will to a large extent determine our approach to early learning, its regulation, funding and quality.

ELAA would advocate for the needs and best interests of the children themselves to be seen as central during the course of this inquiry. As a community, we not only need to think about how to provide families with affordable choices – but equally, how to ensure that services provide quality early learning outcomes to afford our children the best possible start in life. A sound policy and economically credible assessment of what it might cost to improve the system – and what areas that improvement should prioritise – must balance a consideration of dollars and cents, with the short, medium and longer term social and economic benefits of high quality services for all Australian children, and the future of our country.

As one ELAA member said: “No parent thinks about primary or secondary school as the answer to a childcare problem. They choose a school for their child based on accessibility and affordability and most importantly, they look for a school that will give their child a quality education that will set them up well for life”. . If we accept that parents do this when choosing a school, shouldn’t we offer them the same balanced choices when they’re looking for an early learning service, particularly when we know that the early years are critical?”

### **Key Issues:**

#### **1. Contribution of access to affordable, high quality early years education and care**

##### **a) Workforce participation**

ELAA believes that families need to decide on the level of workforce participation that best suits their individual circumstances. While productivity is a priority for governments, families have a range of concerns that will affect the decision to work and the hours they do so. For many, there will be an economic imperative to return to work as soon as possible following the birth of a child. Affordable and accessible high quality early learning programs can make this decision easier allowing parents to confidently leave their children while they work.

Importantly, high quality programs firmly establish a developmental and educational trajectory for children which sets them up for life, and has a positive impact on their own ability to participate in the workforce in adulthood. The Early Childhood Development Steering Committee noted that high quality early learning “contributes to achieving Australia’s economic goals, both by supporting workforce participation now and by providing the best possible start for the workforce of the future” (Early Childhood Development Steering Committee, 2009, p. 1).

In recent times, government funding for childcare and preschool education in Australia has undergone a number of changes which have impacted on access and affordability. A generation ago the Commonwealth Government provided a proportion of funding directly to non-commercial long

day care, and then to preschool services. Subsequent governments returned preschool funding to the states then made a decision to provide fee relief to commercial services by providing subsidies directly to parents using approved providers. In the 1990's all direct funding to services ceased and childcare became market driven (Cox 2014).

The market driven approach has not successfully increased the supply of childcare places for families and this impacts on workforce participation. Research by the National Centre for Social and Economic Modelling (NATSEM) has demonstrated the link between labour supply and the child care price. A lack of affordable, quality child care does prevent parents (and in particular women) from working (Breunig et. al, 2011).

ELAA members have reported that it can be a struggle for services to provide the numbers of early learning places required to meet demand. This is a concern not just in the growth corridors of the major cities but also for providers in some inner suburbs (refer to Section 2). Member services are often unable to provide adequate places for babies. The higher care and learning needs of this particular group and associated costs and its impact on financial viability is an important factor. Many services have long waiting lists for babies and some are forced to cross-subsidise these places with income from older age groups. Higher density living in the Melbourne CBD has resulted in many families moving into apartments in around the city. Although childcare centres in the City of Melbourne have doubled in the last five years, demand still outstrips available places.

Many families have to blend multiple services to meet their care needs. For example, an ELAA member reports working with one family where the child attends two childcare services and family day care, as well as being cared for by grandmother to meet the need for full time care. This has created many complexities for the four-year-old and his family.

## **b) Optimising children's learning and development**

### **Why we need to optimise children's learning and development**

Over the last decade, Australian and international research has unequivocally established the importance of the early years in the development of a child's brain. The experiences and quality of interactions in our formative years provide the foundation for all subsequent learning and behaviour.

Compelling evidence from the field of neuroscience suggests that "the first five years matter and last a lifetime" (Winter, 2010, p4.). Professor Jack Shonkoff and associates at the National Scientific Council on the Developing Child in the US describe the early years as the time when the brain's architecture is being built, when increasingly complex skills and circuitry are being formed. "Through this process, early experiences create a foundation for lifelong learning, behavior, and both physical and mental health. A strong foundation in the early years increases the probability of positive outcomes and a weak foundation increases the odds of later difficulties." (*The Science of Early Childhood Development*, 2007, p5.)

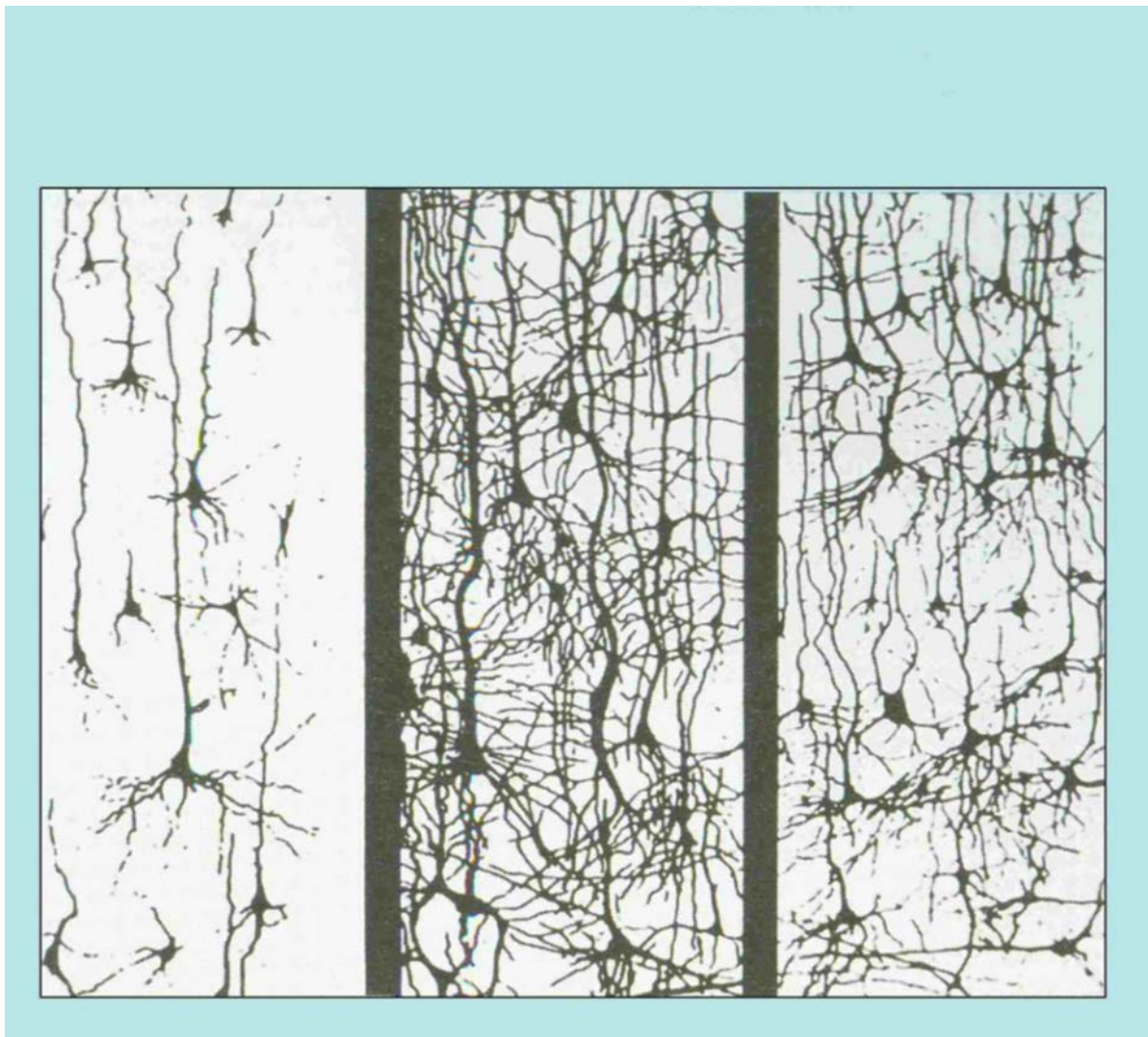
Brain plasticity, the capacity of the brain to grow and change, is at its peak in early childhood and decreases with age. Figure 1 below shows synapse (brain circuitry) development by age. Because all early experiences – good and bad – impact on brain development and have a long-term effect on cognitive and social-emotional wellbeing, it is important to get the early years right. From a



government perspective, every dollar invested early will have substantial longer term social and economic benefits for individuals and for the community as a whole. "Trying to change behavior or build new skills on a foundation of brain circuits that were not wired properly when they were first formed requires more work and is more "expensive." (*The Science of Early Childhood Development*, 2007, p12).

**Figure 1: Synaptic Density:**

"Synapses are created with astonishing speed in the first three years of life. For the rest of the first decade, children's brains have twice as many synapses as adults' brains". (Drawing supplied by H.T. Chugani)<sup>1</sup>



Professor Frank Oberklaid (Director of the Centre for Community Child Health at the Royal Children's Hospital Melbourne) considers "it has become apparent that to improve outcomes in adult life, there needs to be a focus on these critical early years. This has profound implications for

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<sup>1</sup> Shore, Rima (1997) *Rethinking the brain*, New York, Families and Work Institute.



public policy, as it indicates that investing in early childhood is an important and sound investment for the future.”(Oberklaid 2007)

As early as 1968, the Committee for Economic Development (CED) in the US had recognized the need for investment in high quality preschool education to be part of a larger effort to improve the American education system. Since then, CED has published numerous reports that draw attention to early childhood investment as a critical component of education reform. James Heckman’s work, funded by the CED and presented in 2006, demonstrated that the rate of return to human capital investment was significantly greater for preschool programs than for schooling or job training (refer to Figure 2). This is because “skill begets skill and early skill makes later skill acquisition easier. Remedial programs in the adolescent and young adult years are much more costly in producing the same level of skill attainment in adulthood. Most are economically inefficient.”(Heckman, 2006, p. 7)

US research has also put a price on the economic benefits of government investment in early childhood education, indicating that this can be up to 16 times the cost of the initial investment (High/Scope program: Barnett 1996 & 2002). Investing in the early years can also lead to real savings in education, training, health, welfare and justice both in the short and longer term, because it “helps prepare young children to... become better citizens; they earn more, pay more taxes, and commit fewer crimes” (Calman & Tarr-Whelan, 2005, p. 2). Closer to home the report of the *Protecting Victoria’s Vulnerable Children Inquiry* notes the long term savings for society arising from investment in early childhood education particularly for vulnerable children (refer to Section 3).

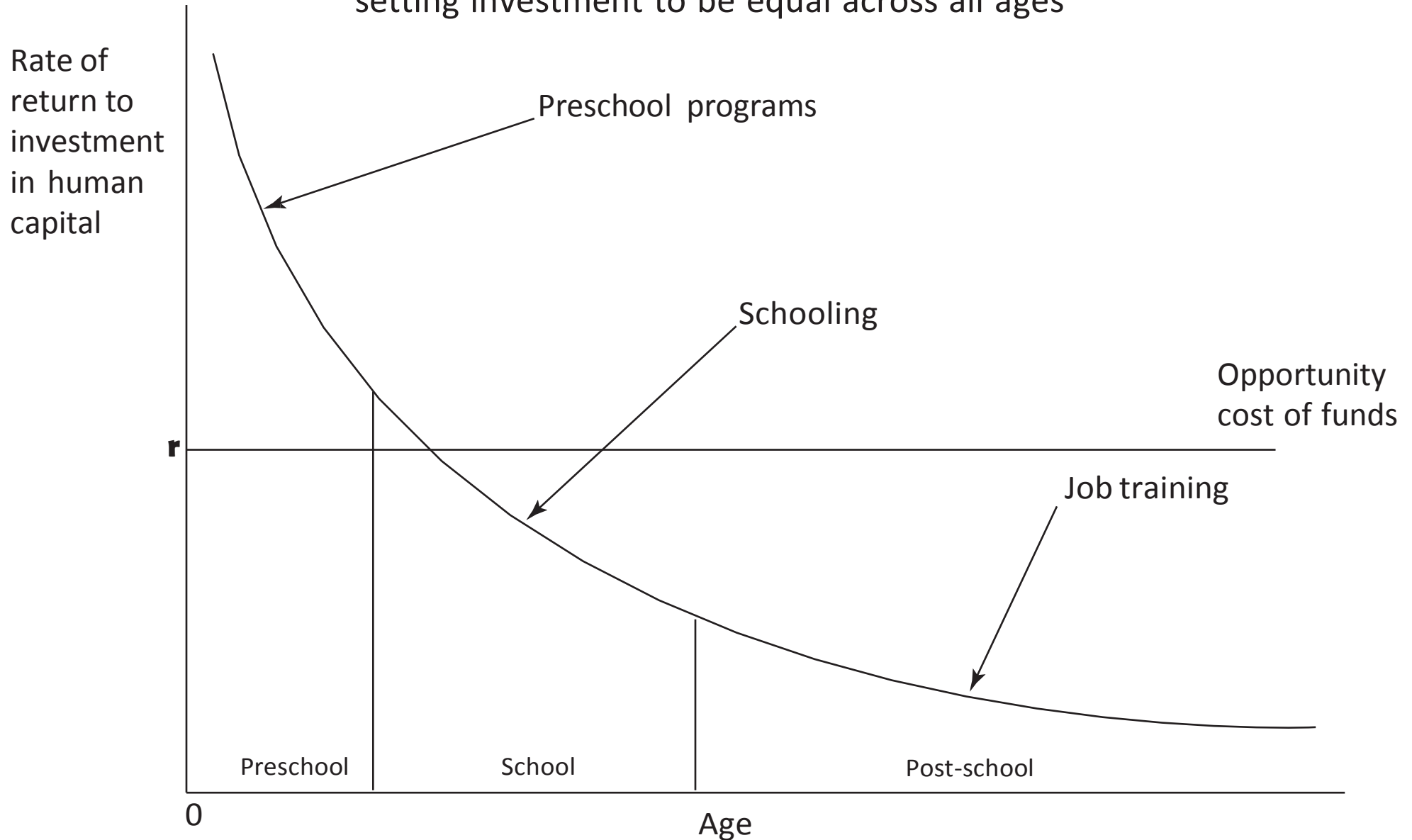
The Business Council of Australia (BCA) has also argued that “we need to get foundation skills right because they are important for almost every sphere of life. A modern economy requires a higher level of foundation skills than in the past...Improved literacy and numeracy have a positive and statistically significant effect on labour force participation and wages” (Business Council of Australia, 2013, p. 78).

In a recent keynote speech at the ELAA AGM, Jennifer Westacott (CEO, BCA) highlighted the urgency around investing in the early years, in the context of the three big shifts that are transforming the Australian economy. Ms Westacott said that increased technology and digitisation, growing Asian economies and an ageing Australian population demand fundamental changes to the way we think about and develop foundation skills, i.e., literacy and numeracy and digital literacy, so that we can adapt ourselves and thrive as a nation in the face of these challenges.

The BCA also warned that if we want serious public policy responses to issues like early childhood learning, we must put it into the broader context of our long-term resilience and creativity as a nation. In *A practical vision for early childhood education and care*, some of the leading experts in early childhood from around the world considered “the creation of an integrated early childhood education and care system... one of the key issues for Australia’s social and economic development into the 21st Century” (PWC, 2011, p. 3).

## Figure 2

Rates of return to human capital investment initially  
setting investment to be equal across all ages



Rates of return to human capital investment initially setting  
investment to be equal across all ages

## How to best optimise children's learning and development

Based on persuasive research evidence, Federal, State and Territory governments have worked over the past few years together to develop and implement the NQF and Universal Access (UA) to improve outcomes for children. Now entering the third year of an eight year plan, it is clear that the national reforms have already led to significant quality improvements across the sector – in kindergartens, long day care, family day care and out of school hours settings.

UNICEF established a target of 15 hours per week as the minimum level of participation in early childhood education required for a high quality outcome for children. Historically, kindergarten programs in Australia were provided for up to 30 hours per week. Australian and international research, including that undertaken in the Effective Provision of Preschool Education (EPPE) study, NAPLAN and NATSEM research indicates that early exposure to a high quality learning environment (as measured by teacher qualifications) has a direct and positive impact on educational and wellbeing outcomes for children.

This positive impact is strengthened with increased hours of participation over longer periods of time. Providing 15 hours of kindergarten does present challenges for children, families and staff in terms of designing programs with child and family friendly hours and practice. Improving participation in early learning programs benefits all children's learning, health and behaviour outcomes but is particularly important for children from disadvantaged backgrounds. Recognising this, the Victorian Government provides Early Start Kindergarten to three year old Aboriginal and Torres Strait Islander children and children known to child protection (refer to Section 3). In Victoria there is also a culture of understanding that starting kindergarten earlier has significant benefits for all children and this has led to the provision of a unique 3-year-old kindergarten program which has broad reach and is held in high regard in the community. Starting earlier and spending more hours at kindergarten improves school success and has benefits into adulthood, particularly for disadvantaged children.

Following the introduction of Universal Access in 2013, an estimated 94 percent of Victorian services now provide 15 hours of kindergarten, delivered by a university trained early childhood teacher, to four-year-old children for 40 weeks in the year before school. This excellent result has been achieved by a great deal of hard work at both government and sector level. It is essential to capitalise on the significant investment already made and for the Federal Government to continue to work with State and Territory governments to ensure the continuity of Universal Access funding and provisions.

Central to the NQF quality improvements has been the requirement for higher level qualifications for educators and an increase in educator-to-child ratios. A significant longitudinal research program in the UK (the Effective Provision of Preschool Education Project) found that "Having qualified trained teachers in pre-school settings (for a substantial proportion of time, and most importantly as the pedagogical leader) had the greatest impact on quality and was linked specifically with better outcomes in pre-reading and social development" (Sylva et al., 2003, p. 3). Closer to home, research from the Australian Institute of Health and Welfare and the Australian Institute of Family Studies indicates that "Early childhood educators who are qualified, well-

resourced and supported are critical to program success” (Harrison, Goldfeld, Metcalfe & Moore 2012, p. 6).

Increasing levels of knowledge and understanding about the significance of the early years to children’s longer term development and outcomes has led the shift to a more professional approach to the delivery of education and care. Higher level policies, such as the NQF and UA, the more exacting National Quality Standard and the Early Years Learning Framework require a professional workforce with commensurate qualifications and skills. While increasing educator-to-child ratios has arguably been one of the more challenging and costly exercises, ELAA member services have stressed how important this requirement has been for children’s development outcomes:

*"We are in favour of the NQS. It has genuinely motivated our service to develop our staff, and move in a direction that focusses on children's learning. We have found that both the cost of implementing it and the associated increase in recurrent expenditure has been significant, but we also believe that it has been worth the investment.*

*Part of the implementation cost, specifically relating to higher qualification requirements, has been reimbursed by the Commonwealth but mostly the service has self-funded the setup costs. The principle ongoing cost is a higher wages bill, owing to the ratio changes and having higher qualified employees.*

*Nonetheless, we are opposed to any wind-back of ratios or lessening of qualification requirements as we want to allow our staff to be the best they can be for themselves and for the children in our service."* (Karl Hessian, Treasurer, Curzon Street Children’s Service, North Melbourne)

Many kindergartens and childcare services, including independent community-based services, have already increased the ratio of educators to children ahead of the 2016 requirement to have 1 educator for every 11 children aged 3-5 years. A recent report by Australian Community Children’s Services found that 83% of the community children’s services surveyed were meeting or exceeding this target, three years ahead of schedule (ACCS, p. 18). Many kindergartens are also well ahead of schedule.

The Productivity Commission’s 2011 Research Report on the *Early Childhood Development Workforce* identified a range of challenges that still face the sector including issues of supply, poor quality training, low wages and the need for professional development and ongoing mentoring and support for staff. The report acknowledges that “the reform program is likely to be expensive for both governments and parents as increased staff numbers and the higher wages anticipated in response to the increase in demand, drive up ECEC service costs” (Productivity Commission, 2011, p. XXIII). In a survey conducted in 2012 long day care services reported that parents are already paying higher fees to meet increased service costs and that some families are missing out on childcare as a result (KPV, 2012). Refer to Section 2 below on Accessibility.

With higher level qualifications for educators and professionalisation of the early childhood workforce comes the need for appropriate professional and salary structures. In Victoria, the recent sign off of the teacher’s agreement has created an expectation for pay parity between early

childhood educators and primary teachers. This has particular significance for the long day care sector where pay and conditions have traditionally been lower than for the kindergarten sector. Without an increase in government funding, the upward pressure that this expectation puts on the wages bill for services has the potential for either increased fees for families or for a reduction in services for children, with parents then opting out of the workforce as the costs of childcare become too high.

The outcomes of the Pay Equity case lodged by the Australian Education Union, United Voice and the Independent Education Union, currently before the full bench of the Fair Work Commission will have a significant impact on the awards that operate within the early learning sector, and consequently the wage structure.

There is also a need for a comprehensive workforce strategy to attract and retain suitably qualified early childhood professionals to the sector. In one LGA there has been a report of a turn-over of more than 50% of educators between 2013 and the beginning of 2014. The strategy would need to address some of the key issues including:

- Pay and conditions, as determined through enterprise bargaining.
- Actively promoting early childhood as an attractive long term career option for staff at every level including through the use of scholarships and other incentives, particularly in rural areas.
- Accreditation by professional associations or relevant regulatory authorities, e.g., Victorian Institute of Teaching.

Improving the quality of courses offered by training organisations was also identified by the Productivity Commission's *Early Childhood Development Workforce* report. This area has been now been actioned for strategic review by the Australian Skills Quality Authority.

### **Section 1 Recommendations:**

- Continue to implement the NQF within the timeframes agreed by all Australian governments.
- Continue to work with State and Territory governments to ensure the continuity of Universal Access funding and provisions.
- Support all early learning services to implement the NQF, ensuring the delivery of high quality services to all Australian children, including children from disadvantaged families.
- Maintain requirements of the NQF, particularly those for increased qualifications for educators and improved ratios of educators-to-children.
- Support the development of a high quality, professional early childhood workforce including through the provision of appropriate remuneration that acknowledges the importance of the work that educators do with children in early learning settings.

### **2. The current and future need for child care in Australia** (refer also to Section 4 for Rebates and Subsidies)

For parents returning to work, child care is just one consideration in a suite of others that includes access to paid parental leave following the birth of a child and the willingness of workplaces to provide flexible working arrangements for employees.

### **Accessibility**

Some families miss out on child care and early learning programs and this occurs for a number of reasons. Of particular concern is the inadequate number of places available in some locations. In the rapid growth corridors of outer metropolitan Melbourne, Sydney and South Eastern Queensland, inadequate planning for early years infrastructure has led to significant shortages of places.

One ELAA member reported 29 children missing out on kindergarten places in a growth corridor area in Victoria because all local kindergartens were full and there was no additional infrastructure in place to enable additional programs. At the same time there were vacancies in a neighbouring Shire, but the Shire has been unwilling to provide these to residents of another municipality. This clearly demonstrates the need for improved planning and communication across geographic boundaries (Refer to the ECMS submission to this Inquiry).

In some inner suburbs there are also demographic issues, and many have long waiting lists. In a 2012 KPV survey, one inner suburban service reported a waiting list of 200. As a consequence some families missed out on a place altogether. There may be instances where families have had to compromise on service quality in order to secure a place. Some services face site constraints or a lack of available land for expansion and the cost of building new rooms or centres and employing more staff can drive up the cost of education and care for families.

Conversely, there are services facing issues of financial viability in some areas where the changing demographic profile has seen families replaced by an older resident population. While this is likely to change over time as inner areas undergo gentrification, it can be a challenge to keep services viable in the short to medium term. Improved long term planning, that takes account of demographic shifts, is essential and requires bi-partisan support and cooperation from all levels of government.

Accessibility of services can also be an issue for some families:

- Aboriginal and Torres Strait Islander families and families known to child protection who have priority access to services but may still find access difficult where there are waiting lists, or they have not been identified by family support services as needing assistance. Some struggle to participate in universal early years services where there is limited ability to provide them with ongoing support. High turnover of child protection staff can also mean a lack of awareness about available and appropriate programs and services. (Refer to Section 3 for models of early childhood education and care that better support Aboriginal and Torres Strait Islander children and families).
- Vulnerable children and families for whom there is no quick fix e.g. those in situations of domestic violence, drug dependency etc. have difficulty accessing child care services and Special Child Care Benefit is only a short term solution (see Affordability below). Innovative models of service provision are often needed for vulnerable children and families in communities of entrenched disadvantage. (Refer to Section 3 for examples of models that provide appropriate support).
- Many children with disabilities and additional needs are unable to access services or are not receiving the additional assistance they require. Coordinators and staff often struggle with inclusion and have limited pre-service training in this area. There is no extra support available for children who do not have a diagnosis. While the Preschool Field Officer program is available

to Victorian funded preschool programs this is not the case for children in Commonwealth funded programs. There are also many children who require inclusion funding but who are not entitled to it under the existing guidelines even when extra staff and/or supports are required to include them at the service. (Refer to Section 3 for models of early childhood education and care that better support children with disabilities and additional needs).

- Families on low incomes struggle to afford child care (refer to Affordability below) and many miss out altogether. Some take whatever is available. In many cases quality is an issue.
- Children under 3 years of age – particularly infants – are more likely to miss out on child care places in a range of locations due to intense competition for fewer places.
- Families with multiple children often face difficulty finding the required number of places for their children at the same time within the one service. These families may have to use more than one service and may struggle to get the days and hours of available care to match up.
- Child care is also more expensive for families with more children. One parent reported in a 2012 survey that up to 25% of their monthly expenses are on child care (KPV 2012).
- Rural families may also miss out or face long distances and travelling times to access child care places in country locations. Some rural services also struggle to attract and retain staff and to provide extended hours of care for smaller numbers of families.
- There are families with increasingly complex issues (i.e., mental health) accessing services, and evidence of children with significant behavioural issues being excluded from childcare and early learning programs.
- Many Culturally and Linguistically Diverse and newly arrived children and families are also accessing services and many services are very limited in terms of knowledge and resources to meet their needs.

### Affordability

While the majority of ELAA members are not-for-profit, community based services, an ongoing concern for the sector remains the perception that there are some providers that make a profit from the education and care of children and may “cut corners” to do so. This perception was brought to our attention again through the words of a childcare worker who contacted us specifically in response to this inquiry, but asked to remain anonymous:

*“There are centres out there where the previous owners have never looked after the centre. They have not looked at how important it is to make sure owners of childcare centres and kindergartens have qualifications before buying them. The government has not looked at centres that are breaking the rules and not having enough staff on the premises. The government needs the quality to be 100% first before allowing all parents to leave their children in care. Staff are not getting replaced when they are away and are not getting planning time. There would be a lot of horror stories and so many staff are just not speaking up. We owe it to the rights of the children who cannot speak up for themselves.”*

An ELAA member working in the sector, reports examples of inadequate and under-stimulating programs including services providing fewer than 5 books and another with one paintbrush between 30 children. There may need to be consideration given to setting minimum requirements for resource provision to ensure children’s learning needs are met. When we talk about the costs of implementing a quality reform program we need to keep in mind the costs of not doing so. As a



community we need to ensure that the care we entrust our children to conforms to the highest possible standards, providing the best possible foundations for their growth and development into the future. As this is clearly a public – as well as a private – benefit it is essential that governments continue to make a significant investment.

Services report that there are families who are missing out on childcare due to cost. Anecdotal evidence suggests that fees have risen across services and many are now charging between \$90 and \$110 a day. Fee increases have been necessary to enable services to meet increased costs, particularly staffing costs.

Recent research by the National Centre for Social and Economic Modelling (NATSEM) has demonstrated the link between labour supply and the child care price and concludes that a lack of affordable, quality child care does prevent parents (and in particular women) from returning to work (Breunig et. al, 2011).

Child care assistance in the form of the Child Care Benefit (CCB) and the Child Care Rebate (CCR) is designed to facilitate the participation of parents in the workforce and to support children's social and intellectual development. This is particularly important for children from disadvantaged families. But CCB and the CCR do not make childcare affordable for all families.

There are families on low incomes who do not qualify for the maximum amount of CCB and are ineligible for Jobs, Education and Training (JET) Child Care Fee Assistance to cover some of the 'gap fee'. These families – sometimes described as the "working poor" – struggle to afford child care. Other families are unaware of their entitlement to CCB and/or CCR or have difficulty navigating a complex and confusing system for parents and services to manage. Although Special Child Care Benefit is available to help a child at risk of serious abuse/neglect or families facing financial hardship, it is time limited to 13 weeks and requires reapplication to the Family Assistance Office beyond this time. JET funding is also a time limited payment. But for many vulnerable families there is no 'quick fix' solution and they may only be able to afford child care while they are receiving special benefits. When these are withdrawn they may need to significantly reduce their child care hours or relinquish their place altogether. In many cases these are the very children who would most benefit from extra time in a good quality children's service.

There is also an anomaly in CCB in that the benefit is spread across a 24 hour period but not over more than 2 days. In practice, this means that families can claim the full benefit only if children are in care for two 10-12 hour sessions. For example, if the child undertakes 3 x 6 or 4 x 6 hour sessions, the family can only claim for the first 2 x 6 hour sessions. In cases where families are hard-pressed financially, this can lead either to reduced continuity of attendance at the service or to drop-out. This is at odds with good service practise.

(Refer to Section 4 for further discussion of CCB and CCR.)

A system in which all three levels of government contribute cannot generate a level playing field. This is likely to have an impact on the quality of the services provided in some locations. Local government is a key player in the delivery of early childhood education and care but the contributions made can vary greatly from municipality to municipality. Some LGAs are very involved in planning, resourcing and supporting services, others much less so. Children and families

should not be disadvantaged in their access to quality childcare and early learning services based solely on their geographic location.

There have been some concerns since the introduction of the NQF that quality has driven the cost of child care and early learning service up. Quality doesn't have to be associated with prohibitive cost. For example, amongst ELAA members, there are a number of small, community-based services with fees around \$90 a day. Kindergarten Cluster Managers also report cost efficiencies are possible when managing a number of services and these efficiencies can be reflected in more affordable fees for families.

### Flexibility

While acknowledging that flexibility is important, the quality of early learning provided is still the highest priority regardless of whether care is centre-based or home based (in the carer's home or the child's home).

We understand that there are now some services offering care on a 24 hour basis to support the needs of shift workers. Anecdotally we believe that the uptake for this particular model is not high. It would therefore be important to investigate the level of demand for this type of service and to determine whether other options available to families are adequate. Quality choices such as long day care and family day care, are important. (Refer to Section 4 of this submission for a discussion on nannies as an alternative model of care.)

### Transitions from early childhood education and care to school

High quality early learning experiences set children up for success at school. Two recent Australian research reports highlight this clearly. Based on data from *Growing Up In Australia: the Longitudinal Study of Australian Children* (LSAC), these reports found positive correlations between preschool attendance and longer term benefits for children.

A 2011 report concluded that "those 4-5 year old children who are attending pre-school or a pre-year one program [have] on average higher overall development, learning and cognitive and social-emotional outcomes than those children who do not" (Gong, McNamara, & Cassells, 2011, p. 8). University of Melbourne Research undertaken in 2013 in collaboration with the Department of Education and Early Childhood Development and also based on LSAC data, shows a "significant positive association between pre-school attendance and Year 3 NAPLAN scores "where the pre-school teacher had a Degree in Early Childhood Education or a Diploma in Early Childhood Education or Child Care (Warren & Haisken-DeNew, 2013, p. 34).

Many early learning services have developed close links with local primary schools to ensure smooth transitions for children from preschool to school. Well qualified educators develop a pool of knowledge about each child in the service and pass this on via Transition Statements to the child's preparatory class teacher. In some locations preschool educators meet face to face with preparatory class teachers to ensure that the preparatory class teacher is well informed and able to meet the needs of each child that transitions to their class from kindergarten.

The City of Greater Geelong provides an example of one of the most supported transition programs in Victoria. Through their involvement in two key pilot programs – *Best Start* and the *Linking Schools*

and *Early Years* project – partnerships were formed between local schools and early childhood services, to facilitate discussions about the needs of children and families. Each of the seven schools involved in the pilot programs appointed a transition leader to provide a link between kindergarten and school and to ensure families received consistent information about enrolment and schooling. A group was established to support the transition leaders and this involved all day care, kindergarten, prep staff and support services in the area. This group promoted good relationships between services, developed a transition calendar, organised peer swaps to enable prep teachers and kindergarten teachers to visit each other's programs and provided a forum for critical discussion about the development and use of the required Transition Statement. *Linking Schools and Early Years* is a project of the Centre for Community Child Health at the Royal Children's Hospital in Melbourne. Sharron German, a teacher at William Hovell Preschool in Geelong says:

*"When our children leave kindergarten for school, I am confident they will be known by their Prep teacher and that the teacher has a document containing valuable, usable information for the new school year."*

## **Section 2 Recommendations:**

- Improved planning across all levels of government to ensure that demand for early learning services is met. This is particularly important in areas of rapid growth.
- Combine Child Care Benefit and Child Care Rebate into a single payment directly to services to simplify the complex system currently in place.
- More flexible models of child care for rural areas where there are inadequate numbers of children to sustain long day care programs.
- Support for transition programs that develop partnerships between preschool, school and families.

### **3. Specific models of education and care for trial or implementation in Australia**

It is widely understood that vulnerable children and their families have lower levels of participation in universal services, including childcare and early learning programs, than other members of the community. Innovative models of service provision are often needed in communities of entrenched disadvantage. It is important to acknowledge that many innovative models may require establishment funding and in some cases, additional ongoing financial support, but that these costs are likely to be recouped in the longer term. Early intervention and prevention is far more cost effective than reliance on tertiary services for extended periods of time.

There is a role for government in supporting services that target disadvantaged children and families. Where services are managing children with complex needs, there is likely to be a requirement for staffing beyond the established ratios, specific training for educators and additional resources to support staff, children and families. Joined-up models of service delivery – including integrated services – can provide better outcomes for disadvantaged families.

In the following pages we provide information about many innovative models of education and care that are currently working to support disadvantaged children and families. Many of these could be rolled out in other locations with the provision of adequate funding.

### **Models that target vulnerable children and their families**

- Models, such as Doveton College's Early Learning Centre and the integrated service model promoted by the Victorian Government, provide holistic support to all children and families to enable them to achieve better outcomes in education and in life. The local Doveton community ranks very highly for disadvantage in Australia. Levels of poverty are high, educational achievement is low and many families are from non-English speaking backgrounds, including newly arrived refugees and asylum seekers. The Early Learning Service does not differentiate between child care and kindergarten hours based on a philosophy that children are learning and developing all the time. Parents are supported and encouraged to participate in their child's learning by highly qualified staff. The centre enables community connections via playgroups, maternal and child health services, a sewing group for mothers, an internet café and a range of community support agencies with a community engagement co-ordinator working on site. This model operates within existing funding parameters by joining up services, programs and funding in a more effective way.
- Integrated services have been encouraged at policy level by the Victorian government as they offer many benefits for families. The integrated children's centre model involves the provision of a range of early childhood services including: maternal and child health, kindergarten integrated with long day care, early childhood intervention services (ECIS), family services and a range of programs that support children, parents, families and the community. The provision of a range of co-located services that work collaboratively to support families enables a more holistic approach to child development and family wellbeing. When we talk about integrated models, it is also essential that funding sources are integrated across all levels of government and programs. This is not the case at present and can make the integrated model unaffordable for families and financially challenging for services to deliver. Some integrated services report that ongoing operational funding is needed to assist with costs including: additional training, the extra time required to work collaboratively, a new governance structure and the high level of management time required to support partnership development as well as ongoing support and evaluation. However, providing support to vulnerable children and families early on leads to cost savings in the longer term through reduced reliance on tertiary services at a later stage in life.
- The Children's Protection Society, Child and Family Centre in West Heidelberg in Melbourne has recently received an 'Excellent' rating from ACECQA for the provision of exceptional education and care for some of the most vulnerable children and families in the local community. Children and families attending the centre have two or more risk factors of abuse and neglect, and for many, ongoing participation in universal early learning programs is not an option. The centre provides a range of supports to help break the cycle of disadvantage, including high staff to child ratios, integrated family support and an education and care model informed by attachment and trauma theory. Research has shown that programs directly targeting disadvantaged children (e.g. Perry Preschool program and the Abecedarian project in the US) can dramatically improve outcomes for families who participate. The Centre wants to ensure that by the time the children are starting school they are developmentally equal to their peers. The University of Melbourne is currently undertaking research on the program.
- The provision of 15 hours of funded kindergarten for Health Care Card holders has made a big difference to accessibility and affordability for those that most need it.
- The Victorian Preschool Field Officer Inclusion Support Service is delivered predominantly in the child's naturalistic setting, i.e. the kindergarten where children have most opportunity for

repeated practice of skills. This results in the engagement of vulnerable children and families with early intervention that frequently avoids more significant intervention in the future. Preschool Field Officers enable this process via play based observation/assessment of children in their natural setting, strategies and program support, resourcing, mentoring and modelling. Service includes transition to kindergarten, service while in kindergarten and transition to school. Focus is on capacity building through those who do the day to day work. It's an enhancing strength based approach.

- An information resource, such as an up-to-date website could assist services and early childhood professionals to stay abreast of available programs and support.

### **Models that support Aboriginal and Torres Strait Islander children and families**

- Aboriginal owned and operated services provide education and care services to many Aboriginal and Torres Strait Islander children and families. For example, the Victorian Aboriginal Childcare Agency (VACCA) provides programs and services to strengthen Aboriginal culture and encourage best parenting practices. They also advise government in relation to child abuse and neglect in the Aboriginal communities.
- Indigenous Professional Support Units (IPSU) are located in each state and funded by the Department of Education. They provide culturally appropriate advice and support to Indigenous run child care services. This includes:
  - support and training to management and employees of Indigenous Budget Based Funded programs
  - support to raise cultural competence of mainstream early childhood services and
  - networking and collaborating with the early childhood service sector, community and government
- Victorian initiatives such as the Early Start Kindergarten program and the Aboriginal Best Start model are designed to engage Aboriginal and Torres Strait Islander children and children known to child protection. The Early Start program funds up to 15 hours of free or low cost kindergarten for eligible three-year-old children where programs are provided by a qualified teacher. The Best Start model links children, families and early years services, including early learning programs, to improve their life chances.

### **Models that support rural children and families**

- Early Learning Association Australia and Playgroup Victoria are currently working on a project to strengthen the participation of children and parents in early learning and community in three rural Victorian sites: the Wimmera / Loddon Mallee, Ballarat and Surrounds and East Gippsland. These areas currently report a lower level of involvement of families in early years services. The project employs development workers to:
  - Grow the participation of 0-4 year olds and their families in community playgroups as a pathway to promote early learning in the home and to strengthen the role of parents as the first and most enduring educators of their children.
  - Promote the connection and reconnection of families with the early childhood sector within their community to promote non-home early learning opportunities.
  - Promote integration of parents and professionals contributions in children's early learning.

- Assist parents to navigate the early year's systems through provision of information and access to services for parents.
- Ensure smooth transition between playgroup participation and early childhood services participation.

### **Models that support children with disabilities and additional needs**

- Children with disabilities and additional needs are amongst the most vulnerable children in our community and often face barriers to participation in daily life. Inclusion in universal early learning programs is considered to be "just as important for young children with disabilities or developmental delays as...for other children and the learning environments that children experience outside the home are just as important for their development as their home environments" (Moore, 2012, p. 19). But to enable services to effectively include these children in a meaningful way requires:

- Pre-service training for educators
- Regular professional development
- Support staff in centres and
- The assistance of early childhood intervention services.

Government has a role to ensure that training providers are able to skill-up graduates in this area. Some Cluster Managers report that they currently need to do top-up training to ensure educators have the required skills.

ELAA endorses the recommendations made in the Early Childhood Intervention Australia submission to this Inquiry.

- Early Childhood Intervention Australia (ECIA) has been advocating for measures to support inclusion for many years. More recently the Victorian Chapter of ECIA has identified The Teaching Pyramid as an innovative response that can assist to fully include children with disabilities and developmental delays in universal early childhood services. The Teaching Pyramid, developed by Professor Mary Louise Hemmeter from Vanderbilt University in Nashville, Tennessee integrates support for all children in early childhood education and care services with graduated additional support for those in greatest need. ECIA (Vic) are currently exploring options for field trials of this model in partnership with a range of peak bodies, services, Government and communities with a view to better resourcing and supporting teachers to include children of all abilities in early years programs.

### **Section 3 Recommendations:**

- Evaluate and explore opportunities for further roll-out of those models of education and care that are currently successfully supporting disadvantaged families and children.
- Resource and support universal early childhood services to fully include all children, including children from disadvantaged backgrounds, children with disabilities and those with additional needs.
- Ensure that training providers are skilling-up educators to better work with disadvantaged children and families.

#### 4. Options for child care support for Australian families

##### CCB/CCR

The 2009 Henry Tax Review made a number of recommendations for reform relating to child care that are still relevant in the current context. In particular this review recommended that Child Care Benefit and Child Care Rebate be combined into a single payment to parents or to childcare centres and that low-income families receive a higher rate of subsidy. Vulnerable children, including those at risk of abuse, neglect, with significant developmental delay or experiencing 'multiple disadvantage', would have the full cost of their care covered. (Refer to the Victorian Early Start Model in Section 3). The Henry Tax Review also suggested reforms to make Child Care Benefit and Child Care Rebate better targeted and simpler.

Many ELAA members have expressed the view that paying these benefits directly to services would help streamline the complex system that is currently in place. From a management perspective this would enable services to undertake longer term planning, help reduce bad debt and provide a buffer to enable families to maintain their child care place when struggling financially. Services report that many parents would also be happy for the funds to go directly to the service as the current process is perceived to be too complicated. This would also mean parents are not in the position of having to face large bills upfront for which they receive partial retrospective reimbursement. It would be essential to ensure a commensurate fee reduction for parents where this money is paid directly to services, or demand for places may reduce.

##### Flexibility

While acknowledging that families have a right to choose the type of care that best meets their needs, the current interest in funding for alternative forms of child care such as nannies raises many questions. Of great concern to ELAA is the ability of the government to impose quality standards and monitor the quality of care and learning experiences for children in these models of care.

ELAA members are also concerned about how this would be funded. If tax breaks are provided for nannies they are then likely to be directly competing with long day care and family day care services. This could lead to an exodus of centre-based staff able to earn more money working as nannies and would have implications both for services and for the staff themselves. Services may face two issues – a reduced pool of available staff and potentially a reduction in numbers of children enrolling, which would have significant impact on service viability. For staff, a move to nannying is likely to mean limited, if any, access to the professional development, training and support provided by centre-based services. Anecdotally, ELAA understands that some services experienced this situation prior to the introduction of Child Care Rebate which made it cheaper for families to use centre-based services.

##### Section 4 Recommendations:

- Ensure the full cost of education and care is covered for all vulnerable children.
- Combine Child Care Benefit and Child Care Rebate into a single payment directly to services to simplify the complex system currently in place.
- Ensure that quality is central when considering alternative models of care.



- Ensure existing services are not disadvantaged by the introduction of new models of care. Any intended future roll out to other early childhood services such as ECIS and Inclusion support should be planned.

## 5. Benefits and impacts of regulatory changes, including NQF, to child care and early learning

In relation to regulatory change we note that the Productivity Commission refers to “the Australian Government’s planned work with the states and territories to streamline the current quality framework arrangements” (p 3 issues paper). In a recent survey of ELAA members there was strong support for the retention of the National Quality Framework. Services did not want to see the diminution of a policy framework that has improved children’s developmental outcomes. Many kindergartens and childcare services have already met the qualification and ratio requirements ahead of schedule and do not want to see these wound back.

A clear message to retain the quality improvements has come, not just from larger ELAA members, but also from smaller, community based services, that have often struggled to make the required changes, but can already identify that these have led to improved outcomes for children. They do not want to see the significant work they have undertaken lost. Some services are very vocal on this point saying that NQF requirements that have improved quality for children are not negotiable and must be maintained.

ELAA members are also concerned that activities that contribute to children’s learning and development such as the Quality Improvement Plan, curriculum development and staff development and training (among others) must be quarantined from change. Work that enhances an educator’s face-to-face program delivery and their interactions with children is essential.

Many services have also reported that, in spite of initial anxieties, the assessment and rating process turned out to be a valuable experience in which they received helpful feedback, advice and suggestions for service improvement. A regional cluster manager and a metropolitan kindergarten director convey their experiences of the assessment visit:

*“Everyone was uptight before the visit but it went very smoothly. At the end of the session I spent an hour with the assessor discussing policies. Staff felt it was a very positive experience and that had a lot to do with the depth of experience of the assessor who had an early childhood background. After the assessment was over she sat with the staff and talked with them about some of the things they were struggling with. They felt one of the areas they were working hard in but had difficulties with, was parent engagement. It’s difficult because parents don’t have the time to engage or volunteer. The assessor and the staff discussed ideas about how to engage parents more. That was wonderful for the staff because of her depth of knowledge. We know that our positive experience was directly related to the assessor’s breadth of knowledge about early learning and to the extra time spent with our educators, but that this is not the case for all assessment visits.”* (Sue Brown, Cluster Manager at Goulburn Regional Preschool Association in Murchison, Victoria)

*"It confirmed our philosophy and what we believe in, especially about the emotional wellbeing of children coming first and everything else following on as a result. During the assessor's visit she gave us some practical suggestions, little things she'd noticed at other kinders, such as having separate bins for recycling our scraps at lunchtime. Looking at the bigger picture, it's a good thing to go through because empirical educational research shows these practices are good for children."*  
(Director and educational leader of a metropolitan kindergarten in Melbourne)

### Reducing the administrative burden

It is important to note that one of the goals of the NQF was to reduce the administrative burden on services over time by introducing a standardised system across the country. The intention was to do this without compromising quality improvements being put in place. ACECQA has already begun to examine ways to better implement the quality reforms and have made a series of recommendations in their *Report on the National Quality Framework & Regulatory Burden*. This report found that 78% of the 5,400 services surveyed nationally were either very supportive or supportive of the NQF (p, 11). Interestingly the survey also showed that the perceived burden has already declined two years after the introduction of the new system, indicating the burden is transitional, reducing over time as the system is embedded.

Many ELAA members support the NQS in spite of the additional work required and the compliance costs involved. While there is always scope to reduce some of the administrative burden for services as one of our members noted, *cutting red-tape does not mean cutting back the NQS*. ELAA members have identified the following areas in which services would benefit from streamlining, related to reporting requirements, funding mechanisms and the regulation of training providers to reduce financial waste.

### Section 5 Recommendations:

ELAA members recommended the following actions to reduce the administrative burden on services:

- Federal, State and Local Governments all contribute to early childhood education and care. Many services are required to report to all three, providing the same information via different reporting systems. As an example, one member service has identified the dual reporting requirements to State and Federal Governments each August regarding Kindergarten census information as onerous. Each Government has its own software interface (the Victorian Government uses KIM, the Commonwealth uses CCMS) collecting the same information. This could be streamlined by selecting one physical reporting channel – the Commonwealth system for example – with information passed on to State and Territory stakeholders. Greater cooperation between levels of government could lead to the simplification and streamlining of many similar reporting requirements including the overlap between the Quality Improvement Plan and the Service Improvement Plan already identified by ACECQA.
- Significant savings could be made through improved government regulation of training providers, ensuring a consistent supply of high quality graduates. Services report that it is not a shortage of qualified staff they are experiencing, but a shortage of appropriately qualified staff. Training providers offering brief courses with inadequate content, tick-box assessment, and no requirement to undertake placements in services are producing staff unsuitable for face-to-face

work with children. This leads to higher staff turnover and/or a need for greater expenditure on further training and effectively reduces the available pool of high quality educators across the sector. Tightening the regulations relating to training providers would maximise the impact of Government initiatives including the removal of TAFE fees and HECS-Help benefit for early childhood education teachers. The Director of an ELAA member service (and former trainer of early childhood educators) expressed concern that in her experience:

*"There are now lots of private training organisations, many owned overseas and some charging much lower fees, but providing much poorer outcomes for graduates."* (Kay Mondon) She was also concerned about *"money being ripped out of training in a sector that educates the vulnerable"* (Kay Mondon, Director, Poets Grove Family and Children's Centre, Elwood, Melbourne, Victoria).

In this context, ELAA and its members welcomes the recent announcement by the Australian Skills Quality Authority that its 2014 "strategic" reviews will include a focus on early childhood education as a follow-up to the 2011 Productivity Commission report which was highly critical of many training courses.

- Funding for early learning services and/or families using these services currently comes from a number of different sources. For services this can come via education department funding and for families as a reimbursement via Centrelink. ELAA members have suggested that if services were funded directly this would reduce the administrative burden for them and the upfront costs for families. Reimbursing families after fee payment can significantly disadvantage those who are already struggling financially and act as a disincentive to the use of childcare and early learning programs. Funding services directly can also provide a measure of security for service providers in terms of future viability and planning. (Refer to Section 4 above).
- There is a need to streamline the current system of Registered Care for Child Care Benefit which is complex for services and for families. Replacing the requirement for individual educators to be registered with the Department of Human Services with a requirement for the services to register would reduce the administrative burden, particularly for cluster managers in Victoria that manage a large number of services.
- The ACECQA *Report on the National Quality Framework & Regulatory Burden* identifies other areas for attention, including the application for supervisor certificates with its required paperwork, delays and inconsistent treatment of applications (p12).

## Conclusion

ELAA is committed to the ongoing implementation of the National Quality Framework and to the continuation of Universal Access for all children to 15 hours of kindergarten in the year before commencing school. At the core of this submission is our belief that it is critical that the momentum generated by these recent reforms be supported and maintained by Federal, State and Territory governments.

In comparison with many other OECD countries, Australia's investment in early childhood education and care is not substantial. Providing a high quality system that enhances children's wellbeing and development is an investment we can afford and one that will provide significant

short and long term benefit for the nation. The NQF is on track and has already led to significant quality improvements. While some streamlining of administrative requirements may be appropriate, it is vital that there be no diminution of the quality agenda.

Looking at policy and funding models from around the world can provide insights for our own provision of childcare and early learning. In the European Union for example there are countries where access to high quality early learning has now been elevated to a right for the child – picking up on the *UN Convention on the Rights of the Child*.

ELAA is pleased that the Productivity Commission is addressing the vital issue of childcare and early learning. While we acknowledge the importance of workforce participation to the nation's economy, we believe that a focus on quality for children is essential to producing Australian citizens best able to meet the social and economic challenges of the future. As the Business Council of Australia says in their submission to this inquiry "Policies to optimise children's learning and development are important in enabling children to successfully establish foundation skills and navigate the education system as they grow up. Ultimately these foundations enable people to realise their potential in work and in the life of the community" (BCA 2014).

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