



## **SDN Children's Services**

### **Response to the Senate Education and Employment Reference Committee Inquiry:**

### ***Delivery of quality and affordable early childhood education and care services 2014***

#### **1. Introduction**

SDN Children's Services is a not-for-profit organisation established in 1905, and is one of Australia's most experienced and trusted leaders in early childhood education and care.

SDN provides mainstream early childhood education and care services in NSW and the ACT through our long day care centres and pre-schools, in addition to our services for children with disabilities and families facing challenges, and our support services for other children's services providers.

Our mission is to:

- provide high-quality, inclusive early childhood education and care. This means our services are safe, affordable, inclusive and as inspiring as possible
- strengthen families and communities. This means we build strong connections within communities
- address inequalities faced by children. This means we challenge discrimination and help remove barriers to full inclusion.

We operate all our services in an integrated way as literature shows this has the best outcomes for children and families.

SDN is pleased to have the opportunity to make a submission to the Senate Education and Employment Reference Committee Inquiry into the delivery of quality and affordable early childhood education and care services, and makes the following comments as well as responses to the Terms of Reference (see section 6 below).

SDN also refers the Senate Committee to its submission to the recent Productivity Commission inquiry into Childcare and Early Childhood Learning.

#### **2. SDN's integrated services**

SDN operates 23 long day care centres for children from birth to six years that also deliver a pre-school program, and two stand-alone pre-schools, in total educating and caring for more than 3,300 children each year.

An additional 3,200 children in our other children's services benefit from the advisory and support work we do. Without our services, these children would likely have been excluded from care. This program work is funded by government, including the Federal Department of Education (\$6m per annum) and the NSW Department of Education and Communities (\$2m per annum).

SDN works with more than 1,700 services in addition to our own, with the aim of reducing inequalities for children and families. This program work is funded by the Federal Department of Social Services (\$400,000 per annum) and the NSW Department of Families and Community Services (\$9m per annum).

Our annual revenue from child care fees is approximately \$25 million, representing 60% of our total revenue of \$42 million. Across the whole organisation, we employ 543 permanent staff and 135 casuals, of which 124 are university-educated early childhood teachers (including the directors of our children's education and care centres, and teachers in advisory roles), 107 are diploma-trained early childhood educators, and 273 are early childhood assistants with or working towards an approved Certificate III qualification. SDN also employs 42 social workers and 6 allied health professionals, as well as our professional support staff.

### 3. Policy outcomes for three audiences

SDN believes any review of policy for the early childhood sector needs to be tested against the outcomes achieved for three 'communities of interest': children, families, and society as a whole.

Good early childhood education and care, that is delivered well, will provide benefits for children **and** their families **and** the community. A good public policy solution would deliver benefits for all three of these audiences.

Any recommendations arising from this inquiry will need to be tested against the outcomes for each of children, families and society, with the aim of balancing and maximising the outcomes as far as possible for all three. Any changes should not be to the detriment of one of these three groups.

Quality early childhood education and care is not just child care or babysitting, it intentionally supports the development and education of children so they maximise their individual potential, and provides the most gain and the best start for the most vulnerable children.

Maximising the outcomes for children by investing in quality early childhood education and care is an important public policy issue, and the introduction of the National Quality Framework (NQF) has addressed this.

Quality overlaps with the public policy issues of affordability and access, but the two remain separate issues. It is not an ‘either/or’ option. Improving access to and affordability of early childhood education and care services will support parents, and mainly women, to join or return to the workforce, but must not reduce the **quality** of the education and care for children by rolling back the minimum requirements of the NQF.

From a ‘whole of society’ point of view, our society’s overall health, wellbeing and social cohesion is advanced when those families **not already in the workforce** are given the most support to be a part of and contribute to society. Access to affordable early childhood education and care is essential to achieving this, but only if the education and care is high quality.

Evidence shows that low quality education and care is actually detrimental to children, and impacts their capacity to contribute to society in the future. This means funding that only improves access and affordability, without considering quality, may prove to be counter-productive in the long run.

## 4. Overview: best practice approach to providing education and care

There is considerable body of evidence from studies worldwide that have consistent conclusions. The evidence shows us that:

- Children learn more in the first five years of their life than at any other time
- Children who access quality early education and care perform better academically at school
- Investment in early education and care delivers high economic returns
- Access to early education and care ameliorates educational economic disadvantage.

### 4.1 Quality is important in early childhood education and care

The early intervention literature and brain research over several decades have demonstrated that the quality of environments that children experience in their earliest years is related to their future outcomes.

The best outcomes for children occur when education and care starts from birth, and when that care is of high quality. Research shows that 80% of brain development occurs before the age of three, and 90% before the age of four (MCEETYA, 2010, *Engaging Families in the Early Childhood Development Story*). It's not just cognitive skills that develop rapidly during this period, it's also the skills needed as the basis for lifelong learning and social skills.

Studies of early childhood education and care interventions for disadvantaged children show very clearly that there are both short and long term positive effects on the outcomes for those children who access high quality early education and care.

Importantly, it's not just that access to high quality early education and care can improve outcomes, evidence also shows that low quality education and care can actually lead to worse outcomes. Research by the Organisation for Economic Co-operation and Development (OECD) shows that children in low quality services are more likely to have language, social and development problems (*Starting Strong: Early Childhood Education and Care*, OECD, Paris, 2001, and *Starting Strong II*, OECD, Paris, 2006). We know that our society will eventually pay to address these problems, and the cost will be higher if we ignore the quality of children's earliest experiences.

In Australia, we have made significant gains to ensure quality for children. The NQF is built on the Early Years Learning Framework (EYLF), which after considerable consultation was agreed by COAG in November 2008 as the national curriculum for children aged from birth to five years and through the transition to school, for implementation from 1 January 2012.

The EYLF describes the principles, practices and outcomes essential to support and enhance young children's learning from birth to five years of age, as well as their transition to school. It recognises the importance of communication and language (including early literacy and numeracy) and social and emotional development.

The EYLF is an evidence-based best practice framework, integrating long day care and pre-school approaches, and is embedded in the NQF's independent assessment and rating of service quality. The delivery of this framework was a significant and substantial public policy achievement.

A major determinant of quality is the quality of the staff who deliver the service. Evidence shows that quality of services is positively correlated with the level of qualification of the educators. Highly qualified educators and teachers provide the quality learning environments that are not necessarily available in a 'care-only' environment, particularly when carers do not have extensive knowledge of child development and pedagogy. For this reason, the NQF also sets out the minimum requirements for qualifications and educator to child ratios.

The NQF has now been in operation for just over two years, following a three year implementation lead time. Services that are serious about achieving the best outcomes for children by delivering quality education and care are committed to and have already invested in meeting, if not surpassing, the standards required by the NQF.

The NQF provides a nationally consistent, evidence-based framework of quality education and care in order to deliver the best possible start for our children. We *know* this is the case, so to do otherwise is a deliberate abrogation of our responsibilities.

#### **4.2 Affordability of quality services**

While the NQF provides us with best practice for delivering quality education and care for children, the affordability of that quality education and care is intertwined with the ability to access a service and can't be ignored. Quality, affordability and access combined have a long term impact on outcomes for children, as well as the day to day lives of individual families.

It is important to recognise that quality of education and care **and** access **and** affordability are separate public policy issues, and should not be conflated. But all three are necessary. Any rolling back of quality standards in the NQF will negatively impact on education and care outcomes for children, particularly children from families facing disadvantage. However, quality education and care standards will have no impact if families can't afford them or are faced with other barriers to access. Rolling back the NQF will not address access and affordability – these need specific policy and funding responses.

As a service provider, the largest proportion of our costs are staff-related, with overheads including rent and maintenance costs as the second highest element.

As outlined in 4.1 above, evidence shows that the quality of a service is positively correlated with the level of qualification of the educators. It is also linked to the ratio of educators and carers to children, and these standards are embedded in the NQF. Reducing staff costs either means reducing the number of staff or the qualification level of educators, both of which will negatively impact on the quality of education and care for the child.

This means the other option to reduce costs is to reduce overheads, including rent. Many not-for-profit and community providers have historically relied on direct government funding, access to a physical location, and/or ongoing rent at a very low rate.

SDN's experience is that in recent years, state and local governments are tending to withdraw their investments in early education and care services by increasing rents to commercial levels, closing community-based services, or no longer investing in building new centres.

As a not-for-profit organisation, SDN does not have the surplus cash to invest in building new centres, and any increase in rent is a direct operating cost that can only be recovered through an increase in fees. This would make some services unviable for us to operate or unaffordable for local families, particularly those services we operate in lower socio-economic areas.

This trend to withdraw subsidies applies to employer-provided services sites, such as government departments and tertiary institutions that have in the past provided a location within their premises as well as subsidising the fees for their staff and students. The location may continue to be provided, but fee subsidies are now being removed, with families being required to pay full market rate as a result.

Governments are saying that they are concerned about the affordability of early childhood education and care for families, yet at the same time they themselves, as employers and landlords, are adding to the pressure by removing employer-sponsored services and subsidies, and increasing rents.

### **4.3 Access to affordable quality services**

Lack of access to affordable, quality early childhood education and care affects the ability of parents (mainly women) to participate in the workforce. However, simply creating 'more care' or 'cheaper care' for the sole purpose of supporting parents to return to the workforce will not achieve the best outcomes for children, and in particular won't address the barriers for many people experiencing disadvantage.

The biggest gain for children **and** families **and** the community will come from investing in access to affordable quality education and care for families experiencing disadvantage,

including children with disability and their families, vulnerable families, and Aboriginal and Torres Strait Islander families. This can be achieved by reallocating current funding to support those who are not currently accessing education and care services due to cost barriers. Please refer to Recommendation 2 in Section 5 (page 9) of this submission for more detail.

Strategies for improving affordability need to support the lowest income families in particular to access high quality education and care. This will improve the outcomes for the children, and support parents to enter or return to study or the workforce, improving the family's overall economic circumstances and reducing their potential reliance on government support and allowances. This approach will also deliver the biggest return on investment for the whole community.

While affordability is a key issue for these members of the community, the best overall outcomes for families will come from policy decisions that give priority to the range of issues that are creating barriers for families to access quality education and care services. This includes addressing physical, cultural and social barriers that these families also often face.

#### **4.4 The role of government**

The early childhood education and care sector in Australia has a relatively high reliance on market provision. Governments have two forms of intervention available to them, indirect and direct. Indirect intervention includes the Child Care Benefit and Child Care Rebate, leaving the market to develop and deliver the services.

This reliance on market forces does not meet the needs of those children who, the evidence tells us, will benefit most from accessing quality education and care – children from families with low socio-economic status, who are vulnerable, children with disability, and children from Aboriginal and Torres Strait Islander Families.

SDN believes the role of government is also to directly intervene where the market can't or won't supply; for example in rural and remote areas, in areas where there is high demand and supply cannot be expanded, or where market forces mean the service would be unaffordable for the particular resident population.

This is not only because this is where we can achieve the best return on investment in quality education and care, but also because families facing disadvantage are the least likely to be able to afford quality care, and are more likely to live in areas where affordable education and care is not available.

A more detailed discussion of the impact of demand-side funding of the early childhood sector can be found in Early Childhood Australia's discussion paper, *Early Childhood*

*Education and Care in Australia*, prepared for the European Union-Australia Policy Dialogue, 11–15 April 2011.



## 5. Policy implications for government

The federal and state governments have already agreed on and are implementing the legislative and systems frameworks to guarantee quality early education and care services for children. The next step is addressing the affordability of those services, and removing the barriers to access for families.

Given a limited pool of resources, government funding and policy support should be directed where there is market failure, which is where the greatest gains can be made for individual children and families as well as the community as a whole.

The focus should be on directly supporting early childhood education and care services to increase the participation of families experiencing disadvantage, by improving the affordability of services for those families and increasing the number and location of services.

For those families who are not experiencing disadvantage, government support should only be through additional (new) indirect funding (which could be redirected from the proposed paid parental leave scheme), allowing the market to meet much of the demand.

Our specific recommendations are:

### **Recommendation 1:**

#### **Commitment to the National Quality Framework**

SDN fully supports the National Quality Framework – it is accepted as best practice for delivering quality of education and care, and should not be rolled back or watered down. Rolling back the NQF will negatively impact on education and care outcomes for children, particularly children from families facing disadvantage. At the same time, this approach will not address issues of access and affordability – these need specific policy and funding responses.

### **Recommendation 2:**

#### **CCB and CCR combined and paid to service providers**

The means tested Child Care Benefit (CCB) and the non mean tested Child Care Rebate (CCR) should be combined into one payment with a base amount and then a sliding scale that is means- tested. The combination of these two payments alone would reduce an administrative burden on services. The administrative burden would be further reduced by streamlining the payments, for example making the calculation of the benefit more transparent and less changeable so families' fees can be more easily calculated. Payments directly to services on a regular schedule will give a more secure cash flow for services, particularly smaller services. One of the benefits for all families is that their cash outlay for

fees is reduced (rather than, for example claiming back CCR on tax). This is a particular benefit for families where the parents are not working and need the immediate reduction in cash outlays.

**Recommendation 3:**

**Support services to deliver quality education and care**

Funding should be targeted at services in areas with very vulnerable populations to offer additional university qualified teaching staff and family support services, so they can offer enhanced education and care services. This is particularly important for services working with children with disability and their families. Services should also be supported to build their skills, knowledge and confidence to include children who are vulnerable and/or have higher support needs than the general population.

The market is failing to support these children and families, and government intervention is required in order to make quality services for families facing disadvantage more affordable.

This funding should be provided directly to service providers (preferably not-for-profit service providers as this is public money), with allocation of the support being based on SEIFA ratings and existing methods of calculating loadings such as the pre-school loadings in NSW. Current funding such as Special CCB and the planned funding to support the extension of the Paid Parental Leave system could be restructured and reallocated to be more targeted towards services in areas of need, and to be more flexible, for example removing the artificial cap of 18% on the use of Special CCB within any one service.

**Recommendation 4:**

**Budget based funding for specific services**

Budget-based funding for specific services, such as the Multifunctional Aboriginal Children's Services (MACS) and mobile services, should be continued and expanded. SDN supports the recent Early Years Pathways proposal by the Secretariat of National Aboriginal and Islander Child Care (SNAICC) for a ten-year commitment to funding integrated Aboriginal-specific services.

Budget based funding specifically supports services being delivered where the market is failing families, and is another example of where the government needs to intervene.

**Recommendation 5:**

**Support for more physical locations in the areas that need them**

Policy and financial support is needed so services can build and operate services in identified disadvantaged areas, which may include use of Crown land (such as primary schools) at very

low rents, encouraging rental subsidies through tax benefits for landlords, and working with local governments to streamline planning and development approval processes for early education and care services. This is another example of market failure, and the location and approval of these services should be planned based on a range of demographic data including SEIFA rankings and the Australian Early Development Index. This will increase the number and location of services and improve affordability in those areas that will give the best outcomes for families and the community. It will also take pressure off existing services, which will benefit all families.

## 6. Terms of Reference – specific responses

Within the context of our recommendations outlined above, SDN makes the following specific responses to the Terms of Reference:

- a. Outcomes for children in early education and care services including:**
- i. workforce factors such as stability, qualifications and wage rates**
  - ii. quality regulation (including staff to child ratios)**
  - iii. participation and access to services**
  - iv. environments for learning.**

### *Workforce factors and quality regulations*

Research in Australia and overseas shows a positive correlation between the level of qualifications of early childhood educators and teachers and the outcomes for children. As the report by Elliot (*Early Childhood Education: Pathways to quality and equity for all children*, published by the Australian Council for Educational Research, 2006) states:

‘... teacher effectiveness outweighs student background characteristics in explaining variation in student achievement. Similarly, early childhood studies showing better outcomes for children demonstrate that the quality of the pedagogy and hence the capacity of the staff does matter.’

Elliot goes on to say,

‘Centres where managers had a teaching qualification recorded the highest measures of quality. Conversely, higher proportions of staff with low-level qualifications were associated with poorer child outcomes on scales of peer sociability, cooperation, and conformity, and were associated with higher levels of antisocial or worried behaviours.’

High quality education and care is driven by the quality of the staff in services, which in turn is driven by their training and skills. What is particularly important to note is that the impact of low quality staff is not neutral, they can actually negatively impact the outcomes for children.

SDN has not been negatively impacted by the new staffing requirements as we were already operating at those ratios in many services, and had begun training staff to upgrade their qualifications prior to the starting date of the NQF.

There has been an increase in our staffing costs, but this was mostly driven by the introduction of our organisation-wide Enterprise Agreement in 2010. In order to attract and retain quality staff, SDN offers our service delivery staff above award wages and conditions,

which includes confirmed annual wage increases. Many of our staff are working parents themselves, and SDN believes they should not be penalised with artificially low wages simply to subsidise other working families.

The skills and professionalism of our staff are a significant element of our ability to deliver high quality services for our children and families. We know from our annual staff surveys that one of the things that attracts people to work for us is the opportunities we provide for learning and development. Our aim is to be an employer of choice, and we continue to invest in attracting, developing, and retaining our people. This strategy has been in place for a number of years and is independent of the requirements of the NQF.

The quality of educators in a service and the quality of their relationships with children and families underpin the overall quality of the service.

SDN surveys its families annually, and the survey results consistently tell us that our staff members' personal traits, skills and abilities and their relationships with the children are considered by an overwhelming majority of parents as the best feature of our centres.

In October 2012 we asked our centres to undertake a short survey of the children in our services as part of Children's Week, so we could hear their voices directly. More than 200 children, aged from six months to five years of age responded to the questions, 'what do you like and what don't you like about your centre?'

The responses came back in a range of formats including observations from staff about young children's preferences; photographs; drawings and recorded conversations.

We heard that 'relationships' were what children liked the best about their centre, particularly relationships with staff and their friends, and being able to see any siblings at the same centre. Yet again this emphasises the importance of our staff, particularly our staff's ability to establish respectful, high quality relationships with children in their care.

SDN's largest fee increase in recent years was in 2012, and was as a result of a range of factors of which the NQF was one element. Other reasons included the wage increases under our Enterprise Agreement as well as increases in overheads, and equipment and capital upgrades to our buildings. The cost increases associated with the NQF were as a result of increasing the number of staff to ensure the minimum staff to child ratios were met at all times across the day, increased wages costs because our staff were better qualified, and investment in systems and staff to support the implementation and rollout of quality systems.

We consider this to be a one-off cost increase, and SDN remains committed to the NQF as a best practice approach for achieving outcomes for children. Please refer to section 4.1 'Quality is important in early childhood education and care' earlier in this submission.

### *Participation and access*

The Committee should note that in most states and territories in Australia, pre-school is run separately to long day care. This is not the case in NSW. For example, SDN offers long day care with intentionally planned pre-school programs delivered by university-qualified teachers. The NQF is built on this assumption of the delivery of education and care in the same setting.

As outlined in the section 4 “Overview” above, the evidence consistently shows that access to quality early education and care can ameliorate the effects of economic disadvantage.

Loeb et al (*How much is too much? The influence of preschool centers on children’s social and cognitive development*, 2007) say that exposure to centre-based education and care appears to be ‘one of the most effective interventions for advancing poor children’s learning’. The authors go further to say that,

‘Attending high-quality child care appears to boost children’s developmental trajectories leading to speculation about the possibility of its closing achievement gaps... Researchers have compared various care arrangements including centres, Head Start pre-schools, licensed homes, or individual caregivers to determine which might hold the most promise for improving cognitive and social-behavioural outcomes. Centre programs appear to offer the most benefits for poor children’.

The Australian Institute of Health and Welfare states that children missing out on early childhood education are more often represented among disadvantaged families. Those less likely to be participating in early childhood education and care were children from Aboriginal and Torres Strait Islander families, and children from non English-speaking backgrounds (AIHW, *A picture of Australia's children*, 2012).

Children for whom English is a second language, for example, tend to have the lowest baseline scores and seem to make the greatest progress during pre-school, which suggests that exposure to high quality early childhood centre based education provides the opportunity for certain groups to ‘catch-up’ before they start primary school (Sylva et al, *The Effective Provision of Pre-school Education: The final report*, 2004).

For children with disabilities, the evidence indicates that participation in a high quality early childhood education setting can be associated with lower rates of special education placement in later years (Meloy and Phillips, *Rethinking the role of early care and education in foster care*, 2012). Children with disabilities enrolled in mainstream settings make at least as much developmental progress as they do in non-inclusive settings while at the same time achieving greater progress in the areas of social competence and communication through their

interaction with typically developing peers (Buysse and Hollingsworth, *Research Synthesis Points on Early Childhood Inclusion*, 2009).

Families of children with disability face the longer term issue of child care for children with high support needs, as many programs are for children up to 12 years. While children may continue to access these programs after this age, the programs often do not have adequate resources or facilities to support these children, and there are few alternatives.

We refer the Committee to the Early Childhood Australia and Early Childhood Intervention Australia joint *Position Statement on the inclusion of children with a disability in early childhood education and care*, 2012, for a more detailed discussion of this issue.

#### *Environments for learning*

The evidence shows that duration of attendance in a service is important. High quality early childhood education combined with longer duration has the strongest impact on development (Sylva et al 2004).

An earlier start (under age 3 years) is related to better intellectual outcomes. Children who start early childhood education between the ages of 2 and 3 experience a ‘cognitive boost’ that is still evident when the child starts primary school (Sylva et al 2004 op cit; Loeb et al 2005 op cit; Sammons et al, *The impact of pre-school on young children’s cognitive attainments at entry to reception*, 2004).

The Effective Provision of Pre-school Education (EPPE) project in the UK found that full-time attendance doesn’t lead to better gains for children than part-time attendance does (Sylva et al 2004 op cit). Loeb et al (2005 op cit) say that ‘...while half day programs may be beneficial for children from higher income families, full day programs better serve children from lower-income families (Loeb et al 2005)’.

SDN already offers play-based educational programs within a long day care setting, with opening hours usually 7.30am to 6.00pm, so many children already attend for 8 to 10 hours each day.

One option being discussed in the media is home-based care, which can be more flexible for families but raises concerns about ensuring that quality education and care is delivered for the children.

The research on home-based care, including family day care, as compared with centre-based care is patchy but indicates that children in home-based care have significantly poorer attainment compared with the children attending centre-based services. The research suggests the strongest impact is on language development and early number concepts (Sammons et al,

*The impact of pre-school on young children's cognitive attainments at entry to reception, 2004).*

SDN's view is that any formal system of home-based care be aligned as far as possible with the National Quality Framework, given that the NQF represents known best practice standards for early childhood education and care. The NQF already covers family day care services, however other in-home care such as nannies are not covered by the NQF, or indeed any regulations or minimum standards.

**b. A progress report into the implementation of the NQF including targets met and those working towards.**

SDN refers the Committee to the recent ACECQA *Report on the National Quality Framework and Regulatory Burden* published in November 2013 for research and discussion on this issue.

SDN fully supports the NQF and accepts that any professional service must have effective regulation and reporting requirements. We do not accept sector self-regulation as appropriate for ensuring best quality outcomes for children.

Any professionally-run organisation that is genuinely committed to delivering quality early childhood education and care should welcome the opportunity for external, independent assessment and review as part of their quality improvement cycle. It is a community expectation as well as a regulatory one that an organisation's financial accounts be independently audited annually, and the children and families in our services should be able to expect the same level of transparency about the quality of service delivery.

SDN is also of the view that the NQF, and the EYLF embedded within it, represent evidence-based best practice, and achieving these standards should be the aim of every professional service offering early childhood education and care.

Our Board has set us an organisational target of 100% of services rated Meeting or above. Of the 13 SDN services assessed and rated to date, we have achieved two 'Working Towards' results, one 'Meeting', and ten 'Exceeding' ratings.

**c. Parents experiences of the outcomes of the NQF.**

SDN is not in a position to comment on this question.

**d. Impacts of the announced government's amendments to the NQF, and the outcomes for children and early childhood education and care services.**

Please refer to our discussion in section 4.1 'Quality is important in early childhood education and care' earlier in this submission, and our response to item (a) above.



The National Quality Framework is based on international and Australian evidence, and represents known best practice in early childhood education and care.

There is strong evidence to support the benefits that quality early childhood education and care as reflected in the NQF offer all children, and the particular additional benefits for children from families facing disadvantage.

Any amendments to the NQF need to be considered in the context of the impact on educational and developmental outcomes for children, and should be evidence-based, not ideologically-based. Amendments to quality standards should not be made in order to resolve pressures from particular interest groups. The cost of compliance with quality standards needs to be balanced against the benefits from reaching those standards.

For example, the recent extensive ACECQA review into the implementation of the NQF as outlined in its two-part *Report on the National Quality Framework and Regulatory Burden* (November 2013) discusses perceptions of administrative burden as a result of the introduction of the NQF. One of its findings was:

‘Overall, the SCM assessment found that documenting educational programs and assessing children’s learning are the costliest ongoing administrative activities. Importantly however, providers also consider these activities generate *at least an equivalent increase in the quality of education and care.*’ [italics added]

The administrative burdens that are being labelled as ‘red tape’ and additional costs are in fact the additional requirements that support the improvements in quality that will in turn deliver improved outcomes for all children.

The ACECQA Report also notes,

‘A significant portion of burden was found to be driven by the transition to the NQF, suggesting that a decrease in administrative burden, perceived and experienced, can be expected at the next stage of the research. This is evidenced by both the perception survey, which demonstrates that the level of perceived burden has already declined between 2012 and 2013, and the SCM assessment findings, which suggest that the cost of compliance is reducing with improved familiarity with the Framework.’

This is in line with SDN’s own experience as discussed in ‘Workforce factors and regulation’ in response to question (a) above. While we did plan and invest for the implementation of the NQF, we experienced one-off transitional costs that we do not expect to be repeated.

**e. Other related matters.**

As outlined in Recommendation 2 in section 5 above ‘Policy implications for government’, SDN recommends consideration of combining and restructuring Child Care Benefit (CCB) and Child Care Rebate (CCR), and making the payments directly to service providers. Special CCB (SCCB) should also be restructured and targeted to support services in the areas of greatest need. These are the sorts of administrative efficiencies that will reduce the administrative burden for services without impacting quality of education and care for children and improve affordability for those families who need the most support. It will also improve the transparency of fees for all families, and can be achieved within the current funding envelope of CCB, CCR and SCCB.

Additional benefits would be gained from directing the proposed funding for the extension of the paid parental leave to support the affordability of education and care services for families with children for the full five years prior to them starting school.

## **7. For more information**

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