

The Senate

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Education and Employment  
References Committee

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Delivery of quality and affordable early  
childhood education and care services

July 2014

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ISBN: 978-1-76010-047-6

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# GLOSSARY

## *Family Day Care*

Family Day Care (FDC) offers flexible home-based education and care for children via a network of FDC educators. Many FDC providers are responsible for their own recruitment, training and employee support, as well as the administrative aspects of the National Quality Framework (NQF). FDC providers can provide all day, part-time, casual, overnight and before and after school care, if required. Like other providers, FDC services must comply with the Education and Care Services National Law (the National Law) and the Education and Care Services National Regulation 2011 (National Regulations).

## *Long Day Care*

Long Day Care (LDC) or centre-based child care, operates between 7.30 am and 6 pm. Many LDC centres offer either part or full day care, or morning or afternoon sessions. Many LDC providers in Australia are run by private companies, local councils, community organisations, individuals or not-for-profit organisations.

## *National Quality Framework*

The NQF is the national system underpinned by the National Law and the National Regulations. Under the NQF, services are required to display their rating, and ratings are published by Australian Children's Education and Care Quality Authority (ACECQA) and on the MyChild website.

## *Occasional Care*

Occasional Care offers professional care for children on a casual basis. This service is suitable for families who do not need child care on a regular basis but would like someone to look after their children occasionally.

## *Outside School Hours Care*

Outside School Hours Care (OSHC) or Out-of-School Hours care provide services to mostly primary school aged children, before and after school hours during school holidays or pupil free days. Many centres are co-located with primary schools, in halls or playgrounds.

## **Key reference**

Department of Education, *What are my child care and early learning options?*, <http://www.mychild.gov.au/sites/mychild/childcare-information/pages/options> (accessed 14 July 2014).



# **RECOMMENDATIONS**

## **Recommendation 1**

**2.38 The committee recommends that the government continues the implementation of the NQF in accordance with the time frames set down and agreed to by COAG.**

## **Recommendation 2**

**2.44 The committee recommends that the government examine and undertake to provide additional resources directly to small rural and regional early childhood services to ensure they continue to meet quality standards, and attract and retain professional staff.**

## **Recommendation 3**

**2.59 The committee recommends the rating system be retained.**

## **Recommendation 4**

**3.41 The committee recommends that the government reinstate the Early Years Quality Fund to assist educators in meeting the training requirements set out in the National Quality Framework.**

## **Recommendation 5**

**3.42 The committee recommends that the government immediately initiate a review of low wages in the early childhood education and care sector and report on the role of government in lifting wages to a professional level in line with the skills and qualifications required of educators.**



# CHAPTER ONE

## Background to the Inquiry

### Reference

1.1 On 12 December 2013, the Senate referred the following matter to the Senate Education and Employment References Committee for inquiry and report by 17 June 2014:<sup>1</sup>

The delivery of quality and affordable early childhood education and care services, including:

- (a) outcomes for children in early childhood 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, and
  - (iv) environments for learning;
- (b) a progress report into the implementation of the National Quality Framework (NQF), including targets met and those working toward;
- (c) parents' experiences of the outcomes of the NQF;
- (d) impacts of the announced government amendments to the NQF, and the outcomes for children and early childhood education and care services; and
- (e) any other related matters.

1.2 The order of the Senate was amended on 17 June 2014 to extend the reporting date until 15 July 2014.<sup>2</sup>

### Background

1.3 Access to affordable, quality early childhood education and care (ECEC) is important to individual children, their families and the broader community. It not only helps children develop—influencing later outcomes at school and in life—but also dictates the level of families' engagement with employment and study, and ultimately has a considerable impact on national productivity.<sup>3</sup>

1.4 Australian families have access to a range of public and private, for and not-for-profit, home-based and centre-based ECEC services. The ECEC system is based

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1 *Journals of the Senate*, 12 December 2013, p. 363.

2 *Journals of the Senate*, 17 June 2014, p. 890.

3 Department of Education, *Submission 23*, p. 1.

on market oriented arrangements which allow parents to choose the type of service they use based on personal considerations and preferences, not least affordability.<sup>4</sup>

1.5 Many Australian families are involved with the sector as the majority of Australian children participate 'in some form of child care or early learning before entering school, or afterwards through outside school hours care.'<sup>5</sup>

1.6 The ECEC sector is also an industry in its own right, generating estimated revenues of over \$10 billion annually and employing some 140 000 individuals.<sup>6</sup>

### *Child care payments*

1.7 Under current legislative arrangements, the Child Care Benefit (CCB) is paid to persons using 'approved' or 'registered' services, who are required to meet the standards set out in family assistance law, specifically *A New Tax System (Family Assistance) (Administration) Act 1999* (Cth).<sup>7</sup>

1.8 Parents and carers can claim CCB for between 24 and 50 hours per child per week either as a fee reduction paid directly to the provider, or at the end of the financial year through the tax system. The CCB is means tested, and is payable as follows:

*Figure 1- Child Care Benefit - Amounts payable<sup>8</sup>*

Number of children in your care	Income limits before your payment reduces to \$0
1	\$145,642
2	\$150,914
3 or more	\$170,404 plus \$32,219 for each child after the third

1.9 Further, families can also access the Child Care Rebate (CCR), currently \$7500, to assist with additional child care costs. The CCR is not means tested.

4 Department of Education, *Submission 23*, p. 1.

5 Department of Education, *Submission 23*, p. 1. According to the department's submission, the most recent data indicates that an estimated 1.2 million children attended some form of child care or education service in the June 2013 quarter.

6 Department of Education, *Submission 23*, p. 1.

7 Department of Parliamentary Services, *Bills Digest No.92, 2013-14*, Family Assistance Legislation Amendment (Child Care Measures) Bill 2014, p. 2.

8 Department of Human Services, *Child Care Benefit*, <http://www.humanservices.gov.au/customer/services/centrelink/child-care-benefit> (accessed 23 June 2014).

1.10 The Department of Education (the department) advised the committee that limited CCB subsidies are also available for registered (as opposed to approved) care providers. Registered care providers are individuals who are registered with the Department of Human Services (DHS). Families opting to use registered care receive a lower rate of CCB than families using approved care, 'as approved care providers are required to comply with Family Assistance Law quality standards and other legislative requirements.'<sup>9</sup> To receive the CCB, families must use approved services that meet the requirements of one of the following categories:

**Long Day Care (LDC)** – a centre-based form of care. LDC services provide all-day or part-time education and care for children.

**Family Day Care (FDC)** – administers and supports networks of FDC educators who provide flexible care and developmental activities in their own homes, or in approved venues, for other people's children.

**Outside School Hours Care (OSHC)** – provides education and care before and/or after school and/or care during school vacation time. Services may also open on pupil-free days during the school term.

**Occasional Care (OCC)** – a centre-based form of care. Families can access OCC regularly or irregularly on a sessional basis.

**In Home Care (IHC)** – a flexible form of care where an approved educator provides care in the child's home. The Australian Government limits the number of approved IHC places available in the market and new IHC services can only become CCB approved if places are available for allocation.<sup>10</sup>

### ***Productivity Commission inquiry***

1.11 On 22 November 2013, the Treasurer, the Honourable Joe Hockey MP, directed the Productivity Commission to undertake an inquiry into future options for child care and early childhood learning, with a specific focus on developing a system which would address children's learning and development needs whilst supporting workforce participation. The terms of reference for the inquiry are:

1. The contribution that access to affordable, high quality child care can make to:
  - (a) increased participation in the workforce, particularly for women
  - (b) optimising children's learning and development.
2. The current and future need for child care in Australia, including consideration of the following:
  - (a) hours parents work or study, or wish to work or study

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9 Department of Education, *Submission 23*, p. 2.

10 Department of Education, *Submission 23*, pp 2–3.

- (b) the particular needs of rural, regional and remote parents, as well as shift workers
  - (c) accessibility of affordable care
  - (d) types of child care available including but not limited to: long day care, family day care, in home care including nannies and au pairs, mobile care, occasional care, and outside school hours care
  - (e) the role and potential for employer provided child care
  - (f) usual hours of operation of each type of care
  - (g) the out of pocket cost of child care to families
  - (h) rebates and subsidies available for each type of care
  - (i) the capacity of the existing child care system to ensure children are transitioning from child care to school with a satisfactory level of school preparedness
  - (j) opportunities to improve connections and transitions across early childhood services (including between child care and preschool/kindergarten services)
  - (k) the needs of vulnerable or at risk children
  - (l) interactions with relevant Australian Government policies and programmes.
3. Whether there are any specific models of care that should be considered for trial or implementation in Australia, with consideration given to international models, such as the home based care model in New Zealand and models that specifically target vulnerable or at risk children and their families.
  4. Options for enhancing the choices available to Australian families as to how they receive child care support, so that this can occur in the manner most suitable to their individual family circumstances. Mechanisms to be considered include subsidies, rebates and tax deductions, to improve the accessibility, flexibility and affordability of child care for families facing diverse individual circumstances.
  5. The benefits and other impacts of regulatory changes in child care over the past decade, including the implementation of the National Quality Framework (NQF) in States and Territories, with specific consideration given to compliance costs, taking into account the Government's planned work with States and Territories to streamline the NQF.<sup>11</sup>

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11 Productivity Commission, *Childcare and Early Childhood Learning*, available at <http://pc.gov.au/projects/inquiry/childcare/terms-of-reference> (accessed 23 June 2014).

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## **Simultaneous inquiries**

1.12 Many submitters relied in whole or in part on their submissions to the Productivity Commission when contributing to the committee's inquiry. Some organisations were unable to specifically tailor their submissions to the committee's terms of reference, and provided the committee with copies of their submissions to the Productivity Commission instead.

1.13 It should also be noted that the committee is conducting two inquiries into aspects of Australia's child care system simultaneously.<sup>12</sup> Given the potential for overlap and the relevance of each inquiry to the other, the committee decided against holding separate hearings for both, opting instead for a more streamlined approach.

1.14 The committee has divided the evidence received into two reports, one focusing primarily on the National Quality Framework (NQF), and another on economic issues. Ideally the reports should be read together, and this report focuses on the NQF and remuneration, training and professional development of early childhood educators.

## **Acknowledgement**

1.15 The committee thanks those individuals and organisations who contributed to the inquiry by preparing written submissions and giving evidence at the hearings.

## **Notes on references**

1.16 References in this report to the Hansard for the public hearings are to the Proof Hansard. Please note that page numbers may vary between the proof and the official transcripts.



# CHAPTER TWO

## National Quality Framework

### Background

2.1 In 2009 the Council of Australian Governments (COAG) adopted a National Partnership Agreement (NPA) requiring each state and territory to enact laws establishing a unified national system regulating child care.<sup>1</sup> This system is called the National Quality Framework (NQF) and is governed by COAG with the aim of reforming the early childhood education and care sector to replace, standardise and improve existing licensing and quality assurance processes:

One aim of this reform was to reduce regulatory overlap between levels of government, streamline approval processes, improve consistency of approaches in compliance and provide more certainty to the child care sector, businesses and investors.<sup>2</sup>

2.2 The NQF is underpinned by the Education and Care Services National Law (the National Law), which regulates the child care and education sector. The National Law is guided by six key principles:

- The rights and best interests of the child are paramount
- Children are successful, competent and capable learners
- The principles of equity, inclusion and diversity underlie this Law
- Australia's Aboriginal and Torres Strait Islander cultures are valued
- The role of parents and families is respected and supported
- Best practice is expected in the provision of education and care services.<sup>3</sup>

2.3 Implementation of the NQF is led by the Australian Children's Education and Care Quality Authority (ACECQA), an independent statutory authority established under the National Law.<sup>4</sup>

2.4 The NQF came into force on 1 January 2012 and is being progressively implemented across Australia. Currently the NQF applies to long day care, family day care, preschools and occasional school hours care (OSHC) services.<sup>5</sup>

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1 Australian Children's Education & Care Quality Authority, *Submission 22*, p. 3.

2 Department of Education, *Submission 23*, p. 5.

3 *Submission 22*, p. 3.

4 *Submission 22*, p. 3.

5 See <http://acecqa.gov.au/national-quality-framework/introducing-the-national-quality-framework> (accessed 17 June 2014).

2.5 The committee received considerable evidence reflecting the views of parents, communities and childcare service operators on the operation and implementation of the NQF. While a number of concerns were raised,<sup>6</sup> a substantial majority of witnesses and submitters supported the NQF, citing numerous benefits to both children and communities.<sup>7</sup>

2.6 This chapter outlines some of these views, noting significant stakeholder support for implementing the NQF across Australia as a critical feature of federal, state and territory government relations with respect to early childhood education and care.

### **Benefits of the NQF**

2.7 ACECQA submitted that research shows early childhood education and care shape self-esteem, resilience and learning ability, which in turn influence later health, education and employment outcomes.<sup>8</sup>

2.8 Quality in children's education and care is integral to realising individual and long term economic and societal productivity gains. Parents and families lay the foundation for children's learning and development. This learning and development is further shaped and extended through children's participation in education and care services.

The NQF was designed to realise these educational and developmental outcomes for children, supported by parents and families, and to benefit Australia's long term prosperity.<sup>9</sup>

2.9 Australian Community Children's Services (ACCS), the national peak body for the not-for-profit children's services sector, explained that, as a signatory to the United Nations *Convention on the Rights of the Child* (UNCRC), Australia has an obligation to ensure that policies respect children's rights as enshrined in the UNCRC. This approach not only safeguards the best interests of the child, but also boosts workforce participation and economic growth.<sup>10</sup> With the best interest of the child as a guiding principle, Dr Anne Kennedy, National Secretary of ACCS, described the NQF as a monumental reform:

ACCS believes that the COAG agreement of 2009 endorsing the national quality framework agenda is the most significant event in the history of

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6 See: Australian Childcare Alliance, *Submission 12*; Child Care New South Wales, *Submission 15*.

7 See: Early Learning Association of Australia, *Submission 1*; Australian Community Children's Services, *Submission 22*; Early Childhood Australia, *Submission 11*; Australian Research Alliance for Children and Youth, *Submission 8*.

8 Australian Children's Education & Care Quality Authority, *Submission 22*, p. 4.

9 Australian Children's Education & Care Quality Authority, *Submission 22*, p. 4.

10 Australian Community Children's Services, *Submission 38*, p. 5.

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education and care services in Australia. We are the first federated nation to achieve national reform on this scale.<sup>11</sup>

2.10 Support for the NQF was not limited to community organisations. The committee took evidence from a range of stakeholders, such as Baw Baw Shire Council:

We in Baw Baw totally support the National Quality Framework. We think that any service that is not high quality is not in the best interest of the children and the community. Yes, there is extra cost involved with it and, yes, there are more regulations, but we are talking about children. In Baw Baw we totally support that.<sup>12</sup>

2.11 United Voice viewed the framework as the first step in addressing the 'triple crisis' of quality, affordability and accessibility in the Australian ECEC sector. Representatives called for an urgent overhaul of funding to address the crisis:

We need to reassess how we fund the sector and we need to address all three areas—quality, affordability and accessibility—together. Parents will not return to the workforce unless they have access to quality affordable ECEC. As we have done by encouraging the Productivity Commission to address all three elements together, we encourage this committee to do the same. Quality ECEC is key to parents having the confidence to return to work and ensuring children and society reap the benefits of early childhood education and care. We welcome these inquiries with the Productivity Commission's inquiry as the sector is in urgent need of further reform.<sup>13</sup>

2.12 Ms Emily Donnan, a service operator, argued that the NQF had a significant effect in boosting the morale of staff in the ECEC sector. She submitted the NQF was, in effect, acknowledgement by government of the duties, responsibilities and roles that educators play in children's upbringing from ages zero to five.<sup>14</sup>

2.13 KU Children's Services described their experience in implementing the NQF as remarkably positive insofar as it complemented their commitment to high quality education programs, family involvement and the development of their teaching staff. This support for the NQF was expressed notwithstanding the changes that their organisation has been required to make in implementation.<sup>15</sup>

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11 Dr Anne Kennedy, National Secretary, Australian Community Children's Services, *Proof Committee Hansard*, 21 May 2014, p. 6.

12 Mrs Caroline Halliday, Family Day Care Coordinator, Baw Baw Shire Council, *Proof Committee Hansard*, 21 May 2014, p. 17.

13 Ms Lyndal Ryan, National Vice President, United Voice, *Proof Committee Hansard*, 23 May 2014, p. 36.

14 Ms Emily Donnan, Private Capacity, *Proof Committee Hansard*, Australian Children's Education and Care Quality Authority, 23 May 2013, p. 40.

15 Ms Karen Dawson, A/g Chief Executive Officer, *Proof Committee Hansard*, 23 May 2013, p. 45.

2.14 ACECQA presented important evidence to the committee at a public hearing in Sydney. ACECQA provided significant insights into the NQF, its purpose and its role in raising standards for ECEC in Australia. Professor Collette Tayler, Deputy Board Chair of ACECQA submitted:

In terms of quality, the individual economic and societal benefits of quality early childhood education and care are well established. It is the quality of experiences that children have, at home and in early childhood programs, that count toward child development and wellbeing outcomes. Educators work closely with families to ensure strong early childhood development.<sup>16</sup>

2.15 Further, ACECQA found that improving the quality of ECEC services requires a whole system approach and incremental increases to standards. ACECQA noted the challenges of replacing regulatory schemes across all the states and territories:

In 2012, the NQF replaced separate systems in each state and territory, and overlapping regulations. Under the NQF, minimal enforceable standards of quality rating are now a unified system. This is both beneficial and efficient for providers and government. The NQF aims to improve quality by setting a national benchmark that becomes a valuable source of information for families as well as governments. The NQF regulates for quality through qualified educators, ratios and approved learning frameworks. The state and territory governments undertake the quality assessment and rating. Ratings promote compliance with regulatory standards and they drive continuous improvement. A nationally consistent system aims to ensure a higher level of quality EC for all services so that parents can be assured of a standard of quality, regardless of what approved service or program they choose for their children.<sup>17</sup>

2.16 The Australian Research Alliance for Children and Youth (ARACY) also voiced its support for the NQF, but suggested that more work needed to be done in improving quality:

We certainly applaud the attempt to address quality across the whole sector. There did need to be critical work done, particularly in the home based care sector, to improve the quality of that. We would continue to support attention paid to improving quality of child care. There was a question we heard earlier, when we were sitting in the gallery, about supporting professionals to do that better. I think that that is really what needs to happen. The framework and the assessment allows us to measure, but there has been a lack of support for professionals in practical, on-the-ground examples and professional development about how to do that. We have had

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16 Professor Collette Tayler, Deputy Board Chair, Australian Children's Education and Care Quality Authority, *Proof Committee Hansard*, 23 May 2014, p. 18.

17 Professor Collette Tayler, Deputy Board Chair, Australian Children's Education and Care Quality Authority, *Proof Committee Hansard*, 23 May 2014, p. 18.

some indication from members that they would need more support in knowing how to deliver that in an effective way.<sup>18</sup>

2.17 Other submitters, such as Early Childhood Australia (ECA), agreed that more work needed to be done. ECA praised the benefits resulting from the transition to the NQF, adding that although challenges remained, 'the sector has done a remarkable job in lifting quality within services.'<sup>19</sup> This was considered a notable achievement given that agreement was required by all Australian governments.<sup>20</sup>

2.18 ECA noted there had been extensive consultation between ACECQA and the sector, including the expert advisory panel. ACECQA's report noted that 78 per cent of respondents supported the NQF, which was consistent with the feedback received by ECA as a peak body. Further, the five per cent that were not supportive held concerns that could be resolved through additional professional development and support.<sup>21</sup>

### ***Committee view***

2.19 The committee notes broad community support for the NQF and shares the view that implementation of the framework must continue in order to ensure its objectives are met and quality standards maintained.

2.20 The committee also notes concerns about attracting quality staff to the ECEC sector. The committee addresses these concerns in chapter three of this report.

### **NQF and children's development**

2.21 Witnesses before the committee discussed the risks of neglect on early childhood development in the context of the critical role the NQF plays in adequately resourcing early childhood educators and parents so they have the best chance to support and encourage the physical, social and emotional development of children.

2.22 Dr Anne Kennedy of ACCS called quality ECEC an 'incredibly powerful and protective feature', especially for children under three.<sup>22</sup> Dr Kennedy added that quality education needs to occur in partnership with parents in order to assist with capacity building, pointing out that this principle of partnership was embedded in the NQF:

I can think of examples where families will come to the centre who perhaps have already got in place some system of respite care or something similar

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<sup>18</sup> Ms Amarylise Bessey, Senior Research Manager, Australian Research Alliance for Children and Youth, *Proof Committee Hansard*, 22 May 2014, p. 14.

<sup>19</sup> Ms Samantha Page, Chief Executive Officer, Early Childhood Australia, *Proof Committee Hansard*, 22 May 2014, p. 45.

<sup>20</sup> Ms Samantha Page, Chief Executive Officer, Early Childhood Australia, *Proof Committee Hansard*, 22 May 2014, p. 45.

<sup>21</sup> Ms Samantha Page, Chief Executive Officer, Early Childhood Australia, *Proof Committee Hansard*, 22 May 2014, p. 45.

<sup>22</sup> Dr Anne Kennedy, National Secretary, Australian Community Children's Services, *Proof Committee Hansard*, 21 May 2014, p. 14.

organised through the local council because they are struggling with their parental responsibilities. They start child care and it gives them time to pursue some learning and training that they need to do. They build connections within the local community with other families who have similar aged children, and they are then often able to parent without the need for respite care or other support services because they are being empowered and supported in their community.<sup>23</sup>

2.23 ARACY submitted that there was a consensus among researchers on the positive effects of high quality early learning and improved cognitive and wellbeing outcomes for children. Their submission discussed the British study, *Effective Provision of Pre-School Education*, which demonstrated:

...the robust link between participation in pre-school and early literacy and numeracy, as well as the link between the quality of the educational environment and impact on children's learning.<sup>24</sup>

2.24 ARACY highlighted Australian data which clearly demonstrated a link between pre-school attendance and academic achievement, with benefits accruing to children who attended early education for more than one year.<sup>25</sup> The organisation called for quality care and education to be recognised and prioritised in its own right, not merely through the prism of economic benefit:

We are calling for a fundamental shift in the way that we talk about and perceive early childhood education in Australia to emphasise the central role that quality early childhood education plays in children's development and wellbeing, not just in the participation of their parents in the workforce.<sup>26</sup>

2.25 The committee also received compelling evidence from ACCS relating to the effects of familial or social neglect on vulnerable and at risk children's brain development:<sup>27</sup>

Learning begins from birth and in the womb. Everything we can do to support that learning environment in utero and then from the moment the child is born will make a difference to that child...We all pay the price for that, because these are people who will not work, who are likely to end up in our juvenile justice system and jail system and so forth. So that focus on learning is one of the biggest shifts in NQF reform.<sup>28</sup>

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23 Ms Linda Davison, National Treasurer, Australian Community Children's Services, *Proof Committee Hansard*, 11 June 2014, p. 9.

24 Australian Research Alliance for Children and Youth, *Submission 8*, p. 4.

25 Australian Research Alliance for Children and Youth, *Submission 8*, p. 4.

26 Ms Amarylise Bessey, Senior Research Manager, Australian Research Alliance for Children and Youth, *Proof Committee Hansard*, 22 May 2014, p. 13.

27 Australian Community Children's Services, *Additional information*, 21 May 2014.

28 Dr Anne Kennedy, Australian Children's Community Services, *Proof Committee Hansard*, p. 12.

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### ***Committee view***

2.26 The committee recognises the significant benefits of ECEC, as well as the risks inherent in failing to ensure that quality services are accessible to all families.

2.27 The committee acknowledges the multifaceted and detrimental effects of absent or substandard ECEC, particularly on vulnerable and at risk children. The committee is aware that the quality of any system must in part be measured by its reach and accessibility.

### **Regulatory overlap and implementation costs**

2.28 The committee also received evidence from stakeholders with more muted support for and reservations about the NQF, in particular on possible regulatory overlap and implementation costs.

2.29 The committee heard evidence from the Australian Childcare Alliance (ACA) suggesting the implementation of the system had been 'hurried and improperly imposed on the sector,'<sup>29</sup> creating a significant regulatory overlap:

The overlap has been the fact that we had services having to implement the full legislation, which was thousands of pages, from the beginning of 2012, and we were only given these documents in October 2011. That immediately set everyone off on a back foot, and extra staff had to be employed to make sure that these were implemented as they were required to be under the law. So it did put a lot of pressure on the staffing side...<sup>30</sup>

2.30 Some private ECEC providers argued that while the National Partnership Agreement was a historic reform, its 'staged implementation' had resulted in a patchwork of standards across Australia.<sup>31</sup>

2.31 The majority of witnesses, however, agreed that the NQF had already simplified and improved the system and will continue to do so:

In terms of the regulation, bringing together eight regulatory systems into one inevitably results in a lot of things being thrown in which one state was doing [w]hat all the other states have to agree to. Now that we have had three years of operation and we have a review of the NQF happening, we are hoping that a lot of those will now wash out.<sup>32</sup>

2.32 KU Children's Services (KU) agreed that while there were some unintended administrative processes which could be streamlined, implementation of the system

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29 Ms Gwynn Bridge, President, Australian Childcare Alliance, *Proof Committee Hansard*, 21 May 2014, p. 33.

30 Ms Gwynn Bridge, President, Australian Childcare Alliance, *Proof Committee Hansard*, 21 May 2014, p. 33.

31 Ms Nesha O'Neil, President, Child Care New South Wales, *Proof Committee Hansard*, 23 May 2014, p. 1.

32 Mr John Cherry, Advocacy Manager, Goodstart Early Learning, *Proof Committee Hansard*, 21 May 2014, p. 36.

had not been overly onerous or costly.<sup>33</sup> KU added the timeframe and notice period for NQF implementation allowed them to plan for and implement required changes incrementally, resulting in a reduced impact on parents and children.

2.33 KU was asked by the committee to respond to modelling apparently undertaken by ACECQA which suggested the NQF could cost an ECEC provider up to \$35 000 to establish, and thereafter \$140 000 per year to administer. KU did not agree with the modelling, noting:

KU understand these costings are based on a single service case study, not an assessment of an 'average' centre based on statistical data from a broader sample. This cost is not reflective of KU's experience.<sup>34</sup>

2.34 ACECQA explained that the modelling was originally produced in July 2013 by Deloitte Access Economics, with the outcome created by responses to interviews within a hypothetical case study only,<sup>35</sup> and therefore not necessarily reflective of actual data.

2.35 Finally, the committee acknowledges that 78 per cent of ACECQA's surveyed respondents were supportive or very supportive of the NQF.<sup>36</sup>

#### ***Committee view***

2.36 The committee is not persuaded that the modelling undertaken by Deloitte Access Economics is an accurate approximation of average implementation costs, given the lack of evidence from submitters or witnesses corroborating the modelling. The committee further notes that the Deloitte Access Economics modelling did not model costs before the implementation of the NQF so it is impossible to state that its current report is in fact accurate or indeed related to the implementation of the NQF. The Deloitte Access Economics modelling lacks the robustness that should be relied upon when making claims about actual cost outcomes. The committee believes the NQF is a worthwhile development for the ECEC sector and is persuaded by the overwhelming evidence from submitters and witnesses that the staged implementation has limited costs and disruption to services.

2.37 The committee notes the overwhelming support for the NQF, and agrees that it is a historic reform which should continue.

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33 KU Children's Services, *Answers to Questions on Notice*, p. 3.

34 KU Children's Services, *Answers to Questions on Notice*, p. 3.

35 Professor Collette Tayler, Deputy Board Chair, ACECQA, *Proof Committee Hansard*, 23 May 2014, pp 22–23.

36 Ms Karen Curtis, Chief Executive Officer, Australian Children's Education and Care Quality Authority, *Proof Committee Hansard*, 21 May 2014, p. 19.

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## Recommendation 1

**2.38 The committee recommends that the government continues the implementation of the NQF in accordance with the time frames set down and agreed to by COAG.**

### Impact on the quality of service

2.39 The committee heard evidence about a number of areas where the NQF has had negative impacts on service delivery, with providers predicting increased costs for families accessing their services:

As a result of the savings provisions in the National Quality Framework and the 2016 ration, requirements are going to have a massive impact on these services, and they may reduce their numbers and will definitely increase their fees. It is no surprise that we have heard this situation referred to as the perfect storm, and that is without factoring in the equal remuneration order currently before Fair Work. While those challenges may paint a picture of doom and gloom, we are optimistic about the future.<sup>37</sup>

2.40 MADCAPS (Merredin and Districts Childcare and Playschool), a regional service provider operating in Western Australia, detailed the challenges experienced as a small service in a regional centre, noting the particular challenges of meeting the staffing quota where they must either shut the doors of the facility or operate in breach of the standards set out in the NQF.<sup>38</sup> MADCAPS argued that while it supported the NQF and the standards it introduced, it faced significant difficulties in providing quality service:

[I]t is a shame that the regulations make it harder for us to staff the centre properly and sometimes reduce quality of care.<sup>39</sup>

2.41 Municipal Association of Victoria (MAV) submitted that a multi-government response was required to address the critical lack of services for communities in regional or remote areas.<sup>40</sup> While strongly advocating the continued implementation of the NQF,<sup>41</sup> MAV argued that:

Victorian Councils have been planning for NQF implementation in a staged manner to carefully balance viability and affordability to minimise financial impact on ratepayers and families. Notwithstanding this, the MAV believes that the Commonwealth and State Governments should invest adequately in the quality reform process to ensure there is a reasonable cost sharing arrangement between government, services and families which this is not

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37 Ms Nesha O'Neil, President, Child Care New South Wales, *Proof Committee Hansard*, 23 May 2014, p. 2.

38 Ms Rebecca Ryan, Chairperson, Management Committee, Merredin and Districts Childcare and Play School (MADCAPS), *Proof Committee Hansard*, 22 May 2014, p. 26.

39 Ms Rebecca Ryan, Chairperson, Management Committee, Merredin and Districts Childcare and Play School (MADCAPS), *Proof Committee Hansard*, 22 May 2014, p. 29.

40 Municipal Association of Victoria, *Submission 20*, p. 19.

41 *Submission 20*, p. 9.

currently the case. The MAV also calls on the Commonwealth Government to clarify its position on the Coalition's 2013 election policies of slowing down the introduction of the rest of the National Quality Framework reforms, in particular the introduction of changed ratio requirements in 2016.<sup>42</sup>

2.42 Others added that the NQF '...has reduced or has significantly reduced time educators spend with children,'<sup>43</sup> and that the viability of the sector may be at stake:

We are extremely concerned about the viability of the sector at the moment. We are hearing about long waiting lists. I would say that 70 per cent of the sector Australia wide would be only wishing for a waiting list. We have members already operating at less than 50 per cent occupancy and we all know that 70 per cent and above this viability.<sup>44</sup>

### *Committee view*

2.43 The committee notes that some ECEC providers have experienced difficulties in implementing aspects of the NQF, particularly smaller and regional and remote services. However, the committee also notes that these services remain generally supportive of the NQF and see its value. The committee is of the view that some smaller and regional or remote ECEC providers may require assistance to fully implement the NQF and that further consideration should be given as to what assistance may be required.

### **Recommendation 2**

**2.44 The committee recommends that the government examine and undertake to provide additional resources directly to small rural and regional early childhood services to ensure they continue to meet quality standards, and attract and retain professional staff.**

### **Educator-child ratio**

2.45 Section 169 of the National Law requires that services maintain the required educator to child ratio at all times. These ratios are determined by the ages and numbers of children being educated at the service. ACECQA's website notes that only those educators working directly with children can be counted when calculating staff ratios:

Working directly with children' means an educator is physically present with the children and is directly engaged in providing education and care to the children. An educator cannot be included in calculating the educator-to-child ratio unless they are working directly with children.<sup>45</sup>

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42 *Submission 20*, p. 9.

43 Australian Childcare Alliance, *Submission 12*, p. 26.

44 Ms Gwynn Bridge, President, Australian Childcare Alliance, *Proof Committee Hansard*, 21 May 2014, p. 33.

45 ACECQA, *Guide to the National Law and National Regulations*, p. 85.

2.46 ACECQA's *Guide to the National Law and National Regulations* notes some jurisdictions retain higher ratio standards, but that following the implementation of the National Law, the following ratios apply as a minimum.<sup>46</sup> The guide also contains information setting out new requirements for child-educator ratios:

*Figure 1- Educator to child ratios, ACECQA, Guide to the National Law and National Regulations*<sup>47</sup>

Age	Educator-to-child ratio	Compliance timeframe
Birth to 24 months	1:4	1 January 2012
25 to 35 months	1:5	1 January 2016
36 months up to and including preschool age	1:11	1 January 2016
Over preschool age (that is, school age children)	The National Quality Framework has been agreed to at this stage to include children over preschool age, however the National Quality Framework does not include a National Standard for children over preschool age—see individual jurisdiction arrangements	
Please note: Some jurisdiction-specific requirements override the national educator-to-child ratios.		

2.47 Family Day Care Australia (FDCA) supported the ratio changes, noting the widely reported survey of providers suggests only two per cent of the sector did not support the NQF. Further, FDCA noted 70 per cent of the sector support the one to four (teacher to student ratio) and an additional 74 per cent believe the NQF supports high-quality outcomes for children. FDCA also submitted that 85 per cent of respondents supported the requirement for a minimum of a Certificate III qualification for educators.<sup>48</sup>

2.48 Early Learning Association of Australia (ELAA) argued the new educator-child ratio requirements have greatly improved the quality of services available in the ECEC sector:<sup>49</sup>

We ask that the committee focus its attention on the following key issues. The first is the integrity of the national quality framework, particularly those requirements that pertain to increased qualifications for educators and

46 ACECQA, *Guide to the National Law and National Regulations*, p. 85.

47 ACECQA, *Guide to the National Law and National Regulations*, p. 85.

48 Ms Carla Northam, Chief Executive Officer, Family Day Care Australia, *Proof Committee Hansard*, 23 May 2014, p. 26.

49 Mr Shane Lucas, Chief Executive Officer, Early Learning Association Australia, *Proof Committee Hansard*, 21 May 2014, p. 23.

improved ratios of educators to children. These requirements will provide the quality that is so important for children and their parents.<sup>50</sup>

2.49 The City of Boroondara (Boroondara) operates ten out of the 29 long day care centres operating in its municipal boundary, providing approximately 1742 full time child care places for children aged zero to six. In relation to the educator-child ratio, Boroondara submitted that the main feedback received from service providers related to the difficulties in attracting and recruiting qualified staff, especially in relation to the educator-child ratio.

...if not appropriately funded and planned for with regard to infrastructure and service provision, it will result in further barriers to access for families; and the administrative burden and additional workloads, particularly for voluntary committees of management, of implementing the National Quality Framework. However, it should be equally noted that services that have undertaken the quality and rating assessment process reported that there have been identified benefits to the overall provision of these services.<sup>51</sup>

### ***Committee view***

2.50 The committee notes the evidence provided by witnesses and submitters relating to the introduction of the educator-child ratio, and agrees that the significant benefits of increasing the number of educators outweigh any adjustment challenges.

2.51 The committee is persuaded by the evidence presented by witnesses and submitters that the educator-child ratios required by the NQF would greatly enhance the quality of early childhood education.

### **Rating System**

2.52 ACECQA's *Guide to the National Law and National Regulations* details the requirements under the National Law. It outlines the national assessment system for all education and care services to enable families to make informed decisions about the services providing education and care based on ratings.<sup>52</sup> These ratings consist of seven quality areas:

- Educational program and practice
- Children's health and safety
- Physical environment
- Staffing arrangements, including qualification requirements
- Relationships with children
- Collaborative partnerships with families and communities

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50 Mr Shane Lucas, Chief Executive Officer, Early Learning Association Australia, *Proof Committee Hansard*, 21 May 2014, p. 23.

51 Ms Kylie Mussared, Manager Family, Youth and Recreation Services, City of Boroondara, *Proof Committee Hansard*, 21 May 2014, p. 41.

52 ACECQA, *Guide to the National Law and National Regulations*, p. 40.

- Leadership and service management.<sup>53</sup>

2.53 Some submitters viewed the rating system as problematic. ACA criticised the assessment and rating system used by ACECQA, arguing the rating system is excessive and has increased costs to operators and families as a consequence of implementation. This is because meeting the requirements involves removing directors and supervisors from contact with children increasing administrative workload and numbers of educators, which puts pressure on salary budgets of ECEC services.<sup>54</sup> Further, ACA argued the rating process was fundamentally flawed:

A rating result defaults to the lowest rating for an element received e.g. “working towards” despite having received a higher outcome in other quality areas. ACA questions whether an overall rating is appropriate when it does not accurately describe the service’s practices and performance in all or the majority of the areas of assessment.<sup>55</sup>

2.54 ECA also submitted that the rating system was not ideal, arguing:

Many Early Childhood services are concerned that they have been rated ‘Working Towards NQS’ under the National Quality Standard. These concerns have been driven, in large part, by widespread, poorly informed media coverage of the assessment ratings.<sup>56</sup>

2.55 Others supported the rating system, with United Voice submitting the quality rating system has the potential to improve the quality of ECEC services by providing parents with objective information to assess the relative quality of services.<sup>57</sup>

2.56 Uniting Care Children, Young People and Families submitted that the ratings systems are delivering positive changes to the ECEC sector and should continue, noting the expansion of the NQF to all providers of ECEC:<sup>58</sup>

While we have identified some areas for reform across national and state jurisdictions, UCCS has not found the NQS to be onerous or a “burden”. In particular the new assessment and rating system in our experience has been a positive change for the sector and has markedly improved from the old system of accreditation.<sup>59</sup>

### ***Committee view***

2.57 The committee is persuaded by the evidence presented which demonstrates the importance of high quality early childhood education and care, and opposes any attempts to weaken or 'water down' the NQF.

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53 ACECQA, *Guide to the National Law and National Regulations*, p. 40.

54 Australian Childcare Alliance, *Submission 12*, p. 31.

55 Australian Childcare Alliance, *Submission 12*, p. 31.

56 Early Childhood Australia, *Submission 11*, p. 20.

57 United Voice, *Submission 7*, p. 49.

58 Uniting Care Children, Young People and Families, *Submission 13*, p. 5.

59 *Submission 13*, p. 34.

2.58 The committee notes that some services are disappointed in the rollout of the rating system, but suggests that the progressive rollout of the NQF will allow services an appropriate amount of time to adjust to the requirements set out in the rating system and by ACECQA.

**Recommendation 3**

**2.59 The committee recommends the rating system be retained.**

## CHAPTER THREE

### Remuneration, training and professional development of early childhood educators

3.1 In this chapter the committee turns its attention to key challenges faced by early childhood education and care (ECEC) providers, including the ongoing issues of remuneration, training and professional development.

3.2 The committee recognises the debate surrounding the issue of remuneration is contentious and that training requirements imposed under the National Law have not been without controversy. Compounding these problems for the ECEC sector is a significant labour shortage of qualified educators, made all the more complex by stakeholder disagreement on how best to attract people into the profession.

3.3 Each of these issues is considered below.

#### Reasons for the labour shortage

3.4 The committee heard that ECEC providers have trouble attracting and retaining appropriately qualified staff. Witnesses informed the committee that the labour shortage is exacerbated by low wages, which are acting as a strong disincentive for students contemplating a career as an early childhood educator.

3.5 United Voice described the exodus of qualified staff from the ECEC sector, citing data which reveals that over 17 000 educators leave every year, while an additional 23 900 qualified educators are required, even with no increased demand.<sup>1</sup> The submission noted:

Almost three quarters of services report unfilled vacancies, between 2011 and 2012 the proportion of child care worker vacancies filled declined from 61 per cent to 51 per cent, and the average number of suitable applicants per vacancy fell from 1.1 to 0.9. To address the quality crisis we must attract and retain educators better – a point supported by the Commission’s most recent work in this area.<sup>2</sup>

3.6 United Voice recommended the government provide targeted funding for professional wages to address labour shortages. They argued the sector struggles to attract and retain appropriately qualified staff due to relatively poor wages, poor career progression and long working hours. United Voice explained that the reforms underway cannot be fully realised before the working conditions of educators are addressed:

Staff attrition across the sector will only be resolved if wages are commensurate with the skills, responsibilities and expectations required of

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1 United Voice, *Submission 7*, p. 8.

2 United Voice, *Submission 7*, p. 8.

the workforce and with the social value of quality care. For reform to be meaningful and lasting, wages must increase substantially across the entire sector.<sup>3</sup>

3.7 Other witnesses, including Dr Anne Kennedy of Australian Community Children's Services, added that remuneration in the sector needs urgent attention in order to attract the best qualified and skilled people.<sup>4</sup> Dr Kennedy submitted:

...it is not something that the sector can do on its own; it is something that needs some government lifting to help it. Clever children need smart, bright, clever educators—that is the basic thing. It is not a cottage industry.

...

This is not the kind of childcare sector that will give us the outcomes we want for a clever nation.<sup>5</sup>

3.8 Mr Rod Cooke, Chief Executive Officer of the Community Services and Health Industry Skills Council, suggested in his opening statement to the committee that the workforce shortage is not isolated to the childcare sector, but rather that it affects the healthcare sector nationally.<sup>6</sup>

### **Qualification requirements under the NQF**

3.9 As of 1 January 2014, the National Quality Framework (NQF) requires educators to have minimum education requirements to gain employment in the ECEC sector. Australian Children's Education and Care Quality Authority's (ACECQA) submission notes that the rationale for qualification requirements is to ensure the quality of services for children, and establish short and long term human capital development:

Higher educator qualifications are strongly associated with improved child outcomes, as educators are better able to involve children, stimulate interactions, and use a range of strategies to extend and support their learning. Research shows that early childhood centres that employ staff with higher qualifications also score higher in measures of overall service quality.<sup>7</sup>

3.10 Similar to many of the other changes introduced by the NQF, the qualification requirements have been progressively rolled out and services were given advance notice before the conditions took effect.<sup>8</sup>

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3 United Voice, *Submission 7*, p. 15.

4 Dr Anne Kennedy, ACCS, *Proof Committee Hansard*, 21 May 2014, p. 11.

5 Dr Anne Kennedy, ACCS, *Proof Committee Hansard*, 21 May 2014, p. 11.

6 Mr Rod Cooke, Chief Executive Officer, *Proof Committee Hansard*, 23 May 2014, p. 50.

7 ACECQA, *Submission 22*, p. 15.

8 ACECQA, *Submission 22*, p. 15.

3.11 The NQF sets a range of qualification thresholds that must be met by an educator before they can be employed in the ECEC sector. For example, from 1 January 2014, to satisfy the NQF requirements:

- educators working in the Family Day Care sector needed to be actively working towards a Certificate III qualification;
- Family Day Care Co-ordinators must have attained an approved diploma or higher education/care qualification;
- at least 50 per cent of educators at all other service providers must hold or be actively working towards a diploma level education and care qualification; and
- services with more than 25 preschool age children are required to have an early childhood teacher on duty at least 20 per cent of the time during working hours.<sup>9</sup>

#### ***Support for qualification requirements***

3.12 Responses to the new requirements were generally positive, with many submitters and witnesses agreeing that the qualification requirements had a positive impact on services' ability to provide quality ECEC services to children and families.

3.13 Family Day Care Australia (FDCA) drew the committee's attention to a recent survey of families accessing services in the family day care sector. While FDCA is currently collating its findings, it provided some evidence to the committee of preliminary results, including data revealing that 85 per cent of families surveyed support the minimum certificate III qualification for all ECEC educators.<sup>10</sup>

3.14 ACCS described overwhelming research demonstrating that the NQF's training requirements supported improved outcomes for children and staff.<sup>11</sup>

3.15 The City of Boroondara (Boroondara) also cited feedback from staff in relation to training and opportunities for placements prior to gaining particular qualifications. Boroondara explained that the feedback related mostly to skill and experience levels at the entry level, but that both service operators and educators would embrace opportunities to participate in professional development, including further education:

They would also see that [feedback] would need to be considered in the context that they still need to provide a service; and, if they are having

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9 ACECQA, *Guide to the National Law and National Regulations*, p. 93.

10 Ms Carla Northam, Chief Executive Officer, Family Day Care Australia, *Proof Committee Hansard*, 23 May 2014, p. 26.

11 Dr Anne Kennedy, National Secretary, Australian Community Children's Services, *Proof Committee Hansard*, 21 May 2014, p. 6.

issues with staffing, how they will backfill those staff. There would need to be some consideration about how that would be implemented.<sup>12</sup>

3.16 United Voice disagreed with anecdotal evidence that educators were leaving the sector due to the requirements to obtain qualifications, noting their survey of members that demonstrated the high turnover in the sector is caused by low wages:<sup>13</sup>

What you have heard directly from our members and what we hear from thousands of workers right across the country is that the reason people are leaving the sector is the low wages. It is one of the reasons we have made an application to the Fair Work Commission to lift those wages. It is clearly a large contributing factor in people leaving. It is covered in our submission to the Productivity Commission, in part, and it is certainly something we get to hear about constantly. There is no other explanation for it—33 people leaving in the centre, with a workplace of 10. The personal stories from those people indicate the reason they were leaving was not lack of commitment to the sector or lack of qualifications.<sup>14</sup>

3.17 The committee notes the substantial support for the qualification requirements as set by the NQF, and recognises the challenges faced by some services in meeting the criteria, especially in rural and regional areas. The committee addresses these concerns below.

### **Early Years Quality Fund and the Professional Development Fund**

3.18 The Early Years Quality Fund (EYQF) was established in March 2013 by the Gillard Government to provide an additional \$300 million over two years to support ECEC providers to continue delivery of quality services while implementing the NQF. The fund was targeted to assist the implementation of the qualification requirements.<sup>15</sup>

3.19 The explanatory memorandum to the Early Years Quality Fund Special Account Bill 2013 stated that the EYQF was designed to assist in maintaining access to early childhood education in addition to the assistance provided to families through the Child Care Benefit (CCB) and the Child Care Rebate (CCR). It was designed to engage an aspect of the CCB, as it was only payable where appropriate to centres with the approved long day care services (who in some cases directly receive the CCB payable to families):

All approved centre based long day care services approved for Child Care Benefit will be eligible to apply for the funding. Grants will be approved

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12 Ms Kylie Mussared, Manager, Family Youth and Recreation Services, City of Boroondara, *Proof Committee Hansard*, 21 May 2014, p. 44.

13 Ms Ryan, National Vice President, United Voice, *Proof Committee Hansard*, 23 May 2014, p. 39.

14 Ms Ryan, National Vice President, United Voice, *Proof Committee Hansard*, 23 May 2014, p. 39.

15 Department of Education, *Ministerial review of the Early Years Quality Fund*, 12 November 2013, [http://docs.education.gov.au/system/files/doc/other/ministerial\\_review\\_eyqf\\_final\\_report.pdf](http://docs.education.gov.au/system/files/doc/other/ministerial_review_eyqf_final_report.pdf), (accessed 24 June 2014), p. iii.

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through an application and assessment process using a defined set of assessment criteria to be outlined in the Program Guidelines. Funding will be conditional on services agreeing to use the funding exclusively for the remuneration of employees and other employment-related costs and expenses, in relation to early childhood education and care employees.<sup>16</sup>

3.20 The Senate Education, Employment and Workplace Relations Legislation Committee undertook an inquiry into the EYQF Bill in 2013, and took substantial evidence from a wide range of submitters detailing the importance of the fund in supporting the rollout of the NQF, as well as the expectation by stakeholders that the funds would continue to support the professionalisation of the ECEC sector.<sup>17</sup>

3.21 Following the 2013 election, the government announced it would discontinue the EYQF, and replace it with a smaller fund of \$200 million to provide for the professional development of educators.<sup>18</sup>

3.22 The committee heard from Goodstart Early Learning funding for professional development:

...professional development for our frontline educators will really help to turn things around on issues such as educational observations and reporting, and interfaces with children. In Goodstart we would love to do a lot more in professional development. We budgeted \$10 million of our own money on it last year. We would like to spend as much as we possibly can on professional development, because we are in the education field. Professional development is an ongoing fundamental part of being an up-to-date educator, and our educators just lap it up.<sup>19</sup>

3.23 The Australian Council of Trade Unions (ACTU) argued in their submission to the Productivity Commission inquiry that the EYQF should still be made available as a priority to ensure the benefits of the NQF are delivered for the benefits of children and families.<sup>20</sup>

3.24 The International Education Union of Australia noted in evidence that the funding for the professional development program was borne out of the previous government's EYQF. While recognising the source of the funding, they emphasised the significance of wage disparities in the ECEC sector, noting the professional development fund would fail to address these disparities:

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16 Early Years Quality Fund Special Account Bill 2013, *Explanatory Memorandum*, p. 2.

17 Senate Education, Employment and Workplace Relations Legislation Committee, Inquiry into the Early Years Quality Fund Special Account Bill 2013, p. 6.

18 Hon Sussan Ley MP, *Media Release*, 10 December 2014.

19 Mr John Cherry, Goodstart Early Learning, *Proof Committee Hansard*, 22 May 2014, p. 33.

20 ACTU, *Submission 30*, p. 9.

...This does not actually help in addressing those issues. On one part, money for professional development is welcomed, it is great, but we need to do more and we need to focus on more.<sup>21</sup>

3.25 This was supported by Early Childhood Australia, who noted that while the professional development fund was a welcome development, it still did not adequately address wage disparities in the sector:

...The difficulty we have is that there is still an issue with wage relativity between people working in the early childhood sector and people with similar qualifications working in the schools sector. That needs to be addressed at some stage. There is a risk that we skill people up and then lose them to the schools sector. However, I meet many early childhood educators who are very happy working in the early childhood sector—because they are skilled and talented and enjoy their jobs. I think the investment in professional development will help create more of those people.<sup>22</sup>

## Wages

3.26 The committee received evidence from numerous submitters relating to the ongoing effects of low wages on staff retention in the ECEC sector, and the challenges that wage increases place on small providers. While some submitters argued that governments should increase their funding to the ECEC sector, others submitted that a more market-focused approach should be adopted to address the low wages.

3.27 United Voice's submission to the Productivity Commission inquiry detailed the current pay rates of employees in the sector as follows:

*Figure 2- Award Rates Relative to Minimum Wage, Submission 7, p. 34.*

Level	FTE Weekly Pay	Hourly Pay	Dollar Amount Above Minimum Wage	Difference of Increase to Next Highest Qualification
1.1 (No formal qualification)	\$636.40	\$16.75	\$0.38	\$2.32
3.1 (Certificate III)	\$724.50	\$19.07	\$2.70	\$3.39
4.1 (Diploma)	\$853.40	\$22.46	\$6.09	\$4.62

3.28 United Voice identified that the significant 'wage problem' is compounded by a flat career structure which does not allow opportunities for advancement within the sector. They argued that the wages issue continues to place significant pressure on

21 Ms Lisa James, International Education Union of Australia *Proof Committee Hansard*, 22 May 2014, p. 22.

22 Ms Samantha Page, Chief Executive Officer, Early Childhood Australia, *Proof Committee Hansard*, 22 May 2014, p. 47.

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both families and early childhood educators.<sup>23</sup> The ACTU agreed, submitting the flat career structure had significant consequences for retention of ECEC workers:

The flat career structures in the ECEC sector act as a disincentive to ECEC workers to obtain further qualifications or remain in the sector as there are little financial benefits to doing so.<sup>24</sup>

3.29 Other witnesses agreed low wages were having a large impact on the quality of services provided to families, noting the particularly negative effects of high staff turnover on children accessing ECEC services. Ms Kay Doyle, an ECEC service provider, argued:

My sentiment about the quality of the centre is that the educators provide the quality. I pay above award wages but nowhere near the amount I believe the educators are worth. I do not know how to fund more wages, because all my funding for services comes from the parents. I have parent meetings about increasing fees and things like that, and generally the parents are supportive of increasing the fees to maintain the quality of the staff that we have.<sup>25</sup>

3.30 Other submitters, including Ai Group, did not support higher wages for early childhood educators. Ai Group argued the sector could not be described as predominantly low-wage, but rather:

...I would describe it as award dependent—so there are not a lot of over-award payments—

...but the rates of pay in the main childcare award align with award rates in many other industries—at the certificate III level, for example.<sup>26</sup>

3.31 Ai Group argued that a 'massive increase' in the rates of pay would have a distortive and destabilising effect on the award system. Further:

We do not accept that childcare workers are underpaid. We do not accept that this application will do anything other than cause major problems for the community. Childcare centres, like every other business, will pay what they need to pay to attract the staff they need to attract.<sup>27</sup>

3.32 The ACTU acknowledged that wages in the sector are largely governed by federal awards. The ACTU noted that while collective agreements are used to an extent, they reflect minimum rates in awards largely due to the restricted capacities of ECEC workers to bargain. They argued that large numbers of small independent

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23 United Voice, *Submission 7*, p. 34.

24 ACTU, *Submission 30*, p. 10.

25 Ms Kay Doyle, *Proof Committee Hansard*, 23 May 2014, p. 37.

26 Mr Stephen Smith, Director, Workplace Relations, Ai Group, *Proof Committee Hansard*, 23 May 2014, p. 12.

27 Mr Stephen Smith, Director, Workplace Relations, Ai Group, *Proof Committee Hansard*, 23 May 2014, p. 14.

workplaces in the sector and tight profit margins restrict the ability of educators to bargain effectively and fairly.<sup>28</sup> Further, the ACTU submitted:

Only a few community centres pay above award wages through workplace agreements, and there is little capacity for these wage rates to flow on to other parts of the early childhood education and care sector.<sup>29</sup>

3.33 The committee acknowledges the significant concerns raised by submitters relating to the wage issue for early childhood educators. Further the committee supports the role of the Fair Work Commission (FWC) in determining wages, and its role as an independent umpire. The committee commends those submitters who are using the FWC to campaign for better remuneration for early childhood educators.

### **Educators, not carers**

3.34 Some witnesses noted that in conjunction with the qualification requirements imposed by the NQF, there was still reluctance by some in the sector to recognise staff in ECEC services as educators and not merely as carers or babysitters.

3.35 ELAA submitted that the NQF recognised and created incentives for parents who are considering returning to work and suggested parents are not looking for babysitters, but educators who will ensure:

...their child will thrive—physically, socially, emotionally and cognitively—and quality early learning programs provide this environment. Ensuring greater provision of these programs, particularly in areas of high growth, will encourage more parents back to work, but affordable and accessible early learning programs should not simply be viewed as a means of releasing parents back into the workforce. The needs and best interests of children themselves must be considered of paramount importance.<sup>30</sup>

### **Conclusion**

3.36 The committee acknowledges that remuneration, qualification and professional development in the ECEC sector lags behind many other sectors due to long held perceptions about child carers as babysitters, rather than early childhood educators. It also acknowledges that the NQF is addressing these perceptions through the requirements for minimum qualifications, educator-child ratios, and the rating system.

3.37 The committee recognises that shortcomings in the ECEC sector are partly caused by remuneration and training challenges. Compelling arguments for changes to be made in these areas were heard over the course of this inquiry and the committee is sympathetic to challenges faced by providers, especially those in rural or regional areas, specifically in meeting staffing requirements.

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28 ACTU, *Submission 30*, p. 10.

29 ACTU, *Submission 30*, p. 10.

30 Mr Shane Lucas, Chief Executive Officer, Early Learning Association of Australia, *Proof Committee Hansard*, 21 May 2014, p. 23.

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***Committee view***

3.38 The committee is persuaded by the evidence that a number of factors contribute to the difficulty some providers experience in attracting suitably qualified staff, and takes the view that wages are a likely contributor to this problem. However, the committee notes the process to determine minimum wages is highly technical and properly handled by the FWC and it supports any review of minimum wages for early child care educators.

3.39 The committee acknowledges that ECEC professionals provide a valuable learning experience which extends beyond simply 'babysitting' young children while their parents are at work. Too many parents rely on child care as a significant feature of their children's early and formative years to allow this distinction to go unmade.

3.40 The committee therefore supports both the training and ongoing development of ECEC staff, and acknowledges them as educators.

**Recommendation 4**

**3.41 The committee recommends that the government reinstate the Early Years Quality Fund to assist educators in meeting the training requirements set out in the National Quality Framework.**

**Recommendation 5**

**3.42 The committee recommends that the government immediately initiate a review of low wages in the early childhood education and care sector and report on the role of government in lifting wages to a professional level in line with the skills and qualifications required of educators.**

**Senator Sue Lines  
Chair, References**



# COALITION SENATORS' DISSENTING REPORT

## Background to the inquiry

1.1 The issues of access to high quality and affordable child care are of serious concern to all members of the Australian community. To facilitate significant long term recommendations to ensure meaningful and significant reform a holistic thorough inquiry, at arm's length from government, is required. This would provide greater benefit to the early childhood education and care (ECEC) sector, families and the wider community.

1.2 The Productivity Commission (PC) inquiry is the first time an ECEC sector-wide review has been undertaken, and will provide a holistic view of the challenges facing the sector. Coalition senators are confident the PC inquiry will result in significant long term recommendations and eagerly await the final report.

1.3 Senate committees are not political footballs. They have scarce resources that should be employed to produce substantial, high quality reports based on extensive and comprehensive evidence gathering. Senate reports should be reputable, with high quality reference material that everyone in the policy arena can access with confidence.

1.4 Coalition senators are disappointed that some senators are increasingly finding it appropriate to either duplicate work being undertaken in other forums (for example, the PC inquiry) or to refer matters to committees and then disassociate from the inquiry, including failing to attend public hearings and walking out of public hearings while witnesses are giving evidence. Coalition senators do not believe this is an appropriate approach or the best use of committee time and resources.

## National Quality Framework

1.5 Coalition senators recognise the importance of an affordable and high quality ECEC sector and support, in principle, the establishment of a unified national system regulating child care. The National Quality Framework (NQF) is a significant and necessary reform.

1.6 However, Labor's implementation of the regulatory system was excessively heavy-handed and has imposed a thousand new pages of regulations and guidelines on the sector, all of which providers must adhere to.<sup>1</sup>

1.7 Coalition senators recognise that any new system will require a transitional period for measures to be 'bedded down'. Some issues can be addressed over time, or

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1 For example: See ACECQA, *National Law*, <http://www.acecqa.gov.au/Article.aspx?pid=51&gcpid=2&acpid=372>, (accessed 8 July 2014); Senator the Hon Marise Payne, Minister for Human Services, *Senate Hansard*, 7 July 2014, p. 32.

through the provision of extra information and resources to ECEC service providers. However, there is evidence to suggest that the implementation of the NQF has been highly problematic, with areas of significant concern:

The staged implementation of these reforms has meant that, despite the 'national quality framework' label, the standards and regulatory frameworks are anything but national in practice in many instances. We have outlined a number of examples of this in our submissions. The rhetoric accompanying these reforms at the time was that the reforms would be backed by increased federal funding. This has not eventuated.<sup>2</sup>

1.8 Coalition senators note evidence presented by witnesses who argued the previous government had not provided enough support to services in their implementation of the NQF. Child Care New South Wales stated:

Whilst the National Quality Framework was brought out with amazingly good intentions and ideals about increasing quality, there was a cost impact. The rhetoric around the framework at the time was that the Rudd government would fund it: 'We are going to invest in early childhood to support these amazing changes that we are making.' That has not happened.<sup>3</sup>

1.9 Where serious issues are identified, they must be carefully considered and addressed to ensure the ECEC sector is supported in its work providing quality care to children. A system that means a service cannot comply with regulations, or is unable to be viable if it does comply, is not beneficial in the short or longer term.<sup>4</sup> In these cases, implementation requirements and timeframes must be examined.

### **Diversity of services**

1.10 The committee heard significant evidence from submitters that the ECEC is composed of many different operators offering varying types of early childhood education and care.<sup>5</sup> This is especially true of services in regional, rural and remote Australia.

In small rural communities the Occasional care facility generally also runs the 3 year fun group and kinder. They are the hub of rural community life. Occasional care provides an introduction to the other services operating out of the facility and creates an opportunity for rural children to form friendships with [like-minded] children that can last right through

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2 Ms Nesha O'Neil, President, Child Care New South Wales, *Proof Committee Hansard*, 23 May 2014, p. 1.

3 Ms Nesha O'Neil, President, Child Care New South Wales, *Proof Committee Hansard*, 23 May 2014, p. 8.

4 Ms Nesha O'Neil, President, Child Care New South Wales, *Proof Committee Hansard*, 23 May 2014, p. 1.

5 Department of Education, *Submission 23*, p. 1.

kindergarten and primary school. The closure of Occasional care would most likely see a break down in local community links.<sup>6</sup>

1.11 Regional, rural and remote service providers face considerable challenges in providing services to families and communities, due to a lack of qualified staff, child care facilities<sup>7</sup> and the lack of occasional care in Communities. Coalition senators recognise that, in many regional, rural and remote communities, lack of access to occasional care has significant detrimental effects on families and communities,<sup>8</sup> and in many cases Long Day Care (LDC) or Family Day Care (FDC) facilities are either unavailable or unviable.<sup>9</sup>

1.12 Coalition senators note that these challenges include providing additional support and options for disadvantaged and vulnerable children, where the provision of ECEC services is otherwise unviable:

We see quality early childhood places as a really incredibly powerful, protective feature for vulnerable children and families.<sup>10</sup>

1.13 A diverse range of childcare options need to be available to reflect the changing nature of family work patterns, while recognising challenges for some services in regional, rural and remote communities.

### **Managing the regulatory burden**

1.14 Coalition senators note that some state and territory governments have already identified issues with the NQF and made amendments to assist services to meet the requirements of the system.<sup>11</sup> To ensure the highest quality outcome for parents, sufficient engagement between the ECEC sector and government is essential.

1.15 Delivering a new regulatory system without providing additional financial support has proved largely unsuccessful.<sup>12</sup> As such, Coalition senators believe that all state and territory governments must continue to listen to the ECEC sector and engage in meaningful and ongoing consultation.

1.16 While Coalition senators are committed to increasing ECEC standards of care and workforce participation, the administrative burden of the NQF gives rise to significant concern, specifically where educators are unable to teach as a direct result

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6 Ms Natalie Akers, *Submission 46*, p. 2.

7 Ms Rebecca Ryan, Chairperson, Management Committee, Merredin and Districts Childcare and Play School (MADCAPS), *Proof Committee Hansard*, 22 May 2014, p. 26.

8 Ms Natalie Akers, *Submission 46*, p. 1.

9 Ms Natalie Akers, *Submission 46*, pp 1–2.

10 Dr Anne Kennedy, National Secretary, Australian Community Children's Services, *Proof Committee Hansard*, 21 May 2014, p. 9.

11 Standing Council on School Education and Early Childhood, *Communiqué*, 29 November 2013, p. 2.

12 Ms Nesha O'Neil, President, Child Care New South Wales, *Proof Committee Hansard*, 23 May 2014, p. 1.

of regulatory requirements. MADCAPS in Western Australia articulated these challenges clearly when they argued:

We are facing a lot of challenges as a result of regulatory changes that have happened in the childcare industry to do with staffing, and financial challenges as a result of staffing. We think there are also lots of unintended consequences that are occurring as a result of the regulatory changes that are negative. Instead of actually improving the quality of care, they might be diminishing the quality of care in childcare centres.<sup>13</sup>

1.17 Further, MADCAPS argued that regulations have resulted in occasions where they have struggled to stay open without being in breach of the requirements of the NQF, due to labour shortages of appropriately qualified educators.<sup>14</sup>

1.18 Early Learning Association of Australia (ELAA) noted that the regulatory burden imposed by the NQF may be directly detracting from its intended goal, to raise education and care standards across the ECEC sector. With reference to the complexity of operating across multiple jurisdictions with multiple regulators, ELAA noted:

So we have certainly wanted to work very closely with ACECQA to try to bring forward how we felt there could be changes made to that structure without fundamentally leading to a diminution of the quality agenda. I think in recent times we have perhaps been concerned that an over-focus on red tape could potentially lead to not recording and not actually analysing the impacts of programs on children.<sup>15</sup>

1.19 The City of Boroondara noted that they had received feedback from many services in their area relating to the administrative burden imposed by the NQF. They submitted

Across the board what we are now hearing back from services is that, whilst there still is some administrative burden and they would welcome some enhancements and some streamlining to the system, as they have been through the quality, rating and assessment visit process, they have seen the benefits and the value that that has delivered to them.

...

So the administrative burden that is placed on them can be quite difficult and is taking up a lot of their time.<sup>16</sup>

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13 Ms Rebecca Ryan, Chairperson, Management Committee, Merredin and Districts Childcare and Play School (MADCAPS), *Proof Committee Hansard*, 22 May 2014, p. 26.

14 Ms Rebecca Ryan, Chairperson, Management Committee, Merredin and Districts Childcare and Play School (MADCAPS), *Proof Committee Hansard*, 22 May 2014, p. 26.

15 Mr Shane Lucas, Chief Executive Officer, Early Learning Association Australia, *Proof Committee Hansard*, 21 May 2014, p. 26.

16 Ms Kylie Mussared, Manager Family, Youth and Recreation Services, City of Boroondara, *Proof Committee Hansard*, 21 May 2014, p. 41.

1.20 The Independent Education Union of Australia noted that there were issues with implementation of the NQF and the regulatory burden had in some cases fallen on early childhood educators.<sup>17</sup>

1.21 Early Childhood Australia explained that they had attended workshops with state and territory regulators and ACECQA, in an attempt to work through the regulatory burden imposed by the NQF. The feedback provided relating to supervisor certificate requirements indicated they were particularly burdensome:

...the certified supervisor approval process—that was tying up the state and territory regulatory authorities unnecessarily and was a burden on providers. It has been a difficult one to fix.<sup>18</sup>

1.22 ECA also noted:

When providers talk about the regulatory burden, they are often referring to the regulatory burden of the childcare management system, local government regulations around premises, health requirements imposed by other bodies, not necessarily the National Quality Framework, but it gets conflated.<sup>19</sup>

1.23 Other submitters and witnesses noted the estimate by ACECQA that implementation and administration of the NQF may cost upwards of \$140 000 for the average long day care centre with 75 places and 15 staff.<sup>20</sup>

1.24 The Department of Education (the department) noted it had received feedback criticising the additional burden imposed by the NQF on service providers:

The intention was to streamline and reduce duplication between levels of government, so a national regulatory authority, ACECQA, was established ... I think that what has happened is that with all good intention people established processes and some of those processes have added to layers of form-filling and red tape that people had not envisaged.<sup>21</sup>

1.25 The department also noted that many service providers view the NQF as burdensome:

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17 Ms Christine Cooper, Independent Education Union of Australia, *Proof Committee Hansard*, 21 May 2014, p. 22.

18 Ms Samantha Page, Chief Executive Officer, Early Childhood Australia, *Proof Committee Hansard*, 22 May 2014, p. 47.

19 Ms Samantha Page, Chief Executive Officer, Early Childhood Australia, *Proof Committee Hansard*, 22 May 2014, p. 50.

20 Senator the Hon Marise Payne, Minister for Human Services, *Senate Hansard*, 7 July 2014, p. 32.

21 Ms Jackie Wilson, Deputy Secretary, Early Childhood Education and Care, Department of Education, *Proof Committee Hansard*, 22 May 2014, p. 5.

[ACECQA's survey] states...that 17 per cent of providers described the ongoing administrative requirements as very burdensome; 60 per cent said quite burdensome; and 20 per cent as somewhat burdensome.<sup>22</sup>

1.26 ACECQA admitted in evidence to the committee that their surveys had indicated a significant number of service providers and nominated supervisors found that the NQF imposes a regulatory burden:

...I think it was about 7,000 people. The figures are that 60 per cent of providers perceived the ongoing requirements to be quite burdensome, 20 per cent perceived them to be somewhat burdensome, 17 per cent described the ongoing requirements as very burdensome and two per cent said they are not at all burdensome...<sup>23</sup>

1.27 Coalition senators remain concerned that centres are expected to maintain high standards of care under these conditions without passing cost increases on to parents. It is not appropriate to impose excessive administrative costs on centres, and then criticise them for raising fees.

Services are finding that they cannot increase their fees to cover their own costs because their own clients, customers, the parents and the community just cannot afford it.<sup>24</sup>

1.28 Coalition senators believe that there should be consistent implementation of the NQF across states and territories to provide assurances to parents and reduce unnecessary regulation.

### **Rating system**

1.29 Coalition senators recognise the need for a national rating system to provide meaningful guidance to parents and believe it is imperative that a service provider's rating be properly reflective of a service's usual practices.

1.30 The committee heard evidence from numerous witnesses and submitters relating to the operation of the rating system and difficulties service providers faced in implementing the system.

1.31 ELAA noted that the actual assessment and rating tools may themselves impose an inappropriate regulatory burden, due to the requirements for paperwork and reporting, and the delays in obtaining responses from ACECQA. While the goal of the rating system should be supported, ELAA argued the delays in responses caused by regulators were impacting their ability to provide services:

And certainly there is other paperwork and other reporting aspects of it that, once again, are timely, and we have to do it repeatedly and often. So it is a

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22 Ms Jackie Wilson, Deputy Secretary, Early Childhood Education and Care, Department of Education, *Proof Committee Hansard*, 22 May 2014, p. 5.

23 Ms Karen Curtis, Chief Executive Officer, Australian Children's Education and Care Quality Authority, *Proof Committee Hansard*, 23 May 2014, p. 20.

24 Ms Gwynn Bridge, President, Australian Childcare Alliance, *Proof Committee Hansard*, 21 May 2014, p. 34.

matter also of looking at what paperwork we are required to submit and also the time lines involved. Once we submit that paperwork it can be six to nine weeks before we get responses—things like that. So maybe that could also help us in delivering our services.<sup>25</sup>

1.32 ACA argued that there were significant challenges for services in adapting to the new assessment and rating system, noting that significant numbers of state regulators have not been able to meet the requirements set by ACECQA:

...the states are miles behind where they should be with assessing all the services around Australia. I think even to this date not even half are done, but that could have changed. What it means is that some services have already gone four years without a compliance visit. They may still go another two or three years, because the states are flat out trying to get through, and now those in the first lot they assessed who got 'working towards', which only gave them one year, are now coming up for re-assessment. The assessment is just blowing out.

Our concern is that around Australia there are centres who may wait between now and another three years, which would put it up to about seven years, before they get a compliance visit, because the states are no longer doing those visits to make sure that the service is safe, that the health and safety requirements are being met. They are all coming together in the assessment and rating now; it is all being rolled together.<sup>26</sup>

1.33 Coalition senators note that some services have been marked down in strange circumstances. These include instances where assessors have made questionable decisions while rating agencies, based on unreasonable or unhelpful observations including:

- not having pictures on the walls at eye height for zero to two year olds;
- conducting Earth Hour during the day and not allowing enough light; and
- a sleeping child was used as an example by the assessor of a centre not providing adequate rest periods.<sup>27</sup>

1.34 Coalition senators note the National Partnership on the National Quality Agenda, the first major review of the NQF, will be undertaken in 2014. This review will be the first to measure whether the NQF is delivering on its objectives to reduce the regulatory burden whilst also improving quality standards.

### **Early Years Quality Fund and the Professional Development Fund**

1.35 There was significant evidence in the hearings relating to the Early Years Quality Fund (EYQF), and its subsequent replacement by the Professional

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25 Ms Joanne Geurts, Board President, Early Learning Association Australia, *Proof Committee Hansard*, 21 May 2014, p. 26.

26 Ms Gwynn Bridge, President, Australian Childcare Alliance, *Proof Committee Hansard*, 21 May 2014, p. 35.

27 Senator the Hon Marise Payne, Minister for Human Services, *Senate Hansard*, p. 32.

Development Fund (PDF). The EYQF was a targeted fund of \$300 million which would have supplemented the wages of only 30 per cent of long day care workers for three years.<sup>28</sup> It would not provide any support to any educators in other forms of child care such as Family Day Care, OSHC or kindergarten.<sup>29</sup>

1.36 In November 2013, the Department of Education released the final report into the EYQF (EYQF Report). The report was prepared by PricewaterhouseCoopers Australia, who noted:

Providing grants to pay wage increases for staff across the classification scale meant that funds were not targeted to the lowest paid staff, as funds were to be used to increase wages for all staff at a service. This includes those staff whose wages were already above the award.

Further, the EYQF also does not target funds to wage pressures related to the increased qualification requirements of the NQF. Funding wage increases for unqualified staff and non-contact staff does not support the objective of the EYQF to increase the number of qualified educators.<sup>30</sup>

1.37 Further, the EYQF report noted that services were required to have or commit to having an enterprise agreement:

The Department reports that prior to the EYQF the proportion of LDC services covered by enterprise agreements was approximately 25 per cent. For the remaining 75 per cent of existing services that did not have an enterprise agreement, the program required them to negotiate an enterprise agreement or, if they chose not to have an enterprise agreement, then that provider would be precluded from accessing the EYQF.

This enterprise agreement requirement may reduce the administration burden on the Department in ensuring that funds are used for the purpose of wage increases, and is an approach that has previously been used in the aged care sector. However, it was a cause for concern for some staff and services, as it resulted in costs being incurred in relation to time and resourcing for enterprise agreement negotiation.

The Department reports that prior to the announcement of the EYQF, there were approximately 100 enterprise agreements in the sector, but by the end of October 2013, this number had increased to over 400 enterprise agreements in the sector.<sup>31</sup>

1.38 The EYQF Report revealed that the requirement to have or commit to enterprise agreements resulted in an increase in membership for United Voice:

There is evidence that the requirement to have an enterprise agreement was used by United Voice to increase its membership. The Department advises that it monitored all media streams relevant to the EYQF and that the Big

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28 Department of Education, *Review into the Early Years Quality Fund*, November 2013, p. iv.

29 Department of Education, *Review into the Early Years Quality Fund*, November 2013, p. iv.

30 Department of Education, *Review into the Early Years Quality Fund*, November 2013, p. iv.

31 Department of Education, *Review into the Early Years Quality Fund*, November 2013, p. v.

Steps Facebook page made several statements that staff needed to join the union in order to be eligible for funding under the EYQF.<sup>32</sup>

1.39 The EYQF Report concluded that funding allocated by the Labor government was not sufficient in supporting higher wages, or assisting services in retaining staff.<sup>33</sup>

1.40 As evidenced, the money allocated to the EYQF is more appropriately accessed through the government's Professional Development Fund. Coalition senators note that, unlike the EYQF, the new fund is available to all ECEC workers, rather than a minority of child care workers in certain types of child care (ie employees in LDC). This funding will assist all services in training educators to meet the requirements set out in the NQF.<sup>34</sup>

1.41 Many submitters and witnesses were supportive of the Coalition government's Professional Development Fund, and its stated goal of providing education pathways for educators to meet the requirements set out under the NQF. Ms Kay Doyle, a private service operator stated that she would '...welcome any training or any funding that we can get into the centre because it will be beneficial for staff.'<sup>35</sup>

1.42 Other submitters recognised that many educators and service providers would welcome any additional resources allocated to assist with meeting the qualification requirements in the NQF. The City of Boroondara argued:

The sector, I believe, would also embrace opportunities to provide professional development. They would also see that that would need to be considered in the context that they still need to provide a service; and, if they are having issues with staffing, how they will backfill those staff. There would need to be some consideration about how that would be implemented.<sup>36</sup>

1.43 The Australian International Education Union also detailed its support for funding for professional development, stating:

We believe professional development is vitally important in terms of education and staff, and I think our members would reiterate that view as well.<sup>37</sup>

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32 Department of Education, *Review into the Early Years Quality Fund*, November 2013, p. v.

33 Department of Education, *Review into the Early Years Quality Fund*, November 2013, p. x.

34 Assistant Minister for Education, Honourable Sussan Ley MP, *Coalition delivers childcare educators fairer funding*, 10 December 2013, <http://sussanley.com/coalition-delivers-childcare-educators-fairer-funding/> (accessed 8 July 2014).

35 Ms Kay Doyle, *Proof Committee Hansard*, 23 May 2014, p. 43.

36 Ms Kylie Mussared, Manager Family, Youth and Recreation Services, City of Boroondara, *Proof Committee Hansard*, 21 May 2014, p. 44.

37 Ms Correna Haythorpe, Deputy Federal President, Australian Education Union, *Proof Committee Hansard*, 21 May 2014, p. 60.

1.44 The department noted in evidence to the committee that the money originally allocated for the EYQF had been reallocated to the Professional Development Fund, with \$30 million to support vulnerable children:<sup>38</sup>

In the budget documentation there is also some information that talks about setting up a fund to support vulnerable children. That will come out in the course of the 2014-15 financial year. So there are three different elements: there is the money you talked about and that we have talked about at estimates, which is the payments under EYQF, there is the \$200 million and then there is the \$30 million to support vulnerable children.<sup>39</sup>

1.45 Coalition senators agree the Professional Development Fund will provide crucial support to early childhood educators and services in regional, rural and remote communities. Further, Coalition senators support the inclusion by the Abbott Government of \$30 million for vulnerable children.

### **Wages**

1.46 The government supports the ongoing role of the Fair Work Commission (FWC) as the independent umpire and believes its role in the wage system as an independent umpire should be retained.

1.47 Coalition senators note the equal remuneration order currently before the FWC relating to the remuneration of early childhood educators.

### **Conclusion**

1.48 Coalition senators commend the hard work and professionalism consistently displayed by early childhood educators around Australia.

1.49 Coalition senators thank all witnesses and submitters to both ECEC inquiries. As detailed above, the Coalition government remains committed to the NQF, but does not support slavish adherence to regulations which have proven to be excessive. Coalition senators therefore support the review of the NQF through the National Partnership in the interests of fine-tuning and streamlining the system.

1.50 Coalition senators look forward to sensible, holistic long term solutions to many of the problems discussed in these hearings when the Productivity Commission releases its final report in late 2014.

### **Senator Bridget McKenzie Deputy Chair, References**

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38 Ms Jackie Wilson, Deputy Secretary, Early Childhood Education and Care, Department of Education, *Proof Committee Hansard*, 22 May 2014, p. 7.

39 Ms Jackie Wilson, Deputy Secretary, Early Childhood Education and Care, Department of Education, *Proof Committee Hansard*, 22 May 2014, p. 7.

# **AUSTRALIAN GREENS ADDITIONAL COMMENTS**

1.1 The Australian Greens believe early childhood education and care should be valued and invested in as part of lifelong learning process that starts at birth. Childcare is an essential service and should be funded as such by the government. For the first time Australia has a national focus on the importance of quality education and care for children, in the form of the National Quality Framework.

1.2 The Greens strongly support the National Quality Framework (NQF) and its continued rollout across the country. The early education and care sector has made substantial progress in improving the quality of education and care provided since the rollout of the NQF. Any attempt by the current government to roll back the NQF would have a detrimental effect on children's educational outcomes.

1.3 It is clear from this inquiry is that there has been a failure to match the achievements of the quality standards with major investment in the sector. The unaffordability of care has significant implications on family budgets, women's employment, ECEC providers' ability to expand their services and fair access to quality local care for children. Evidence provided to the committee also notes that the current fee levels are discouraging some women from returning to the workforce or forcing them to rely on less suitable and lower quality forms of care.

1.4 The Greens agree with the majority of submitters and witnesses that we need to address quality, affordability and accessibility if we are to lift quality standards across the board. Further to this, it is clear that there is a crucial need to support professional development and address the labour shortage in the sector.

1.5 The Australian Greens note and endorse the following recommendations made by a number of submitters and witnesses:

- streamlining the existing Child Care Rebate and Child Care Benefit into one central payment, which is paid directly to centres, so parents only have to pay the fee gap. Administering one assistance payment would simplify the system and reduce out-of-pocket costs for parents;
- targeted assistance for rural and regional areas that have difficulty maintaining affordable childcare;
- targeted funding for children and families who need it most, including vulnerable and at risk children and children from low-income families;
- capital grants for new and expanding centres for community and not for profit child care centres to build new or expand their centres. This will help directly with the availability and fees crisis;

- the introduction of professional wages so that the sector can attract and retain qualified and professional educators;
- an additional 10% loading for babies aged (0-2) to address current and continuing pressures; and
- universal access (UA) to preschool and kindergarten.

1.6 The Australian Greens strongly support wage increases in the early childhood education and care workforce. The majority report recommends that the government reinstate the Early Years Quality Fund. While we recognise the Early Years Quality Fund was an initial attempt of the previous government to begin the process of improving wages, we remain significantly concerned that the Fund was too limited in its scope, time frame and depth of funding to address the pressing and immediate needs of the early childhood education and care sector.

1.7 It is clear from this inquiry that the majority of submitters and witnesses support the continued implementation of the NQF. However, there must be a substantial investment in the sector should we wish to increase quality, accessibility and affordability.

### **Recommendation 1**

**1.8 The Australian Greens recommend that the National Quality Framework be supported and its implementation continue as planned.**

### **Recommendation 2**

**1.9 The Australian Greens recommend that the existing Child Care Rebate and Child Care Benefit be streamlined into one central payment, which is paid directly to centres to reduce the out-of-pocket costs to families.**

### **Recommendation 3**

**1.10 The Australian Greens recommend that the government urgently address the current wage crisis in the sector by providing appropriate funding through mechanisms other than Enterprise Agreements in order not to disadvantage smaller providers.**

**Senator Sarah Hanson-Young**

## **ADDITIONAL COMMENTS BY SENATOR NICK XENOPHON**

1.1 I welcome the Senate Education and Employment Committee's report into the immediate future of the childcare sector in Australia. In particular I would like to thank the committee for giving each of the childcare inquiries considered and specific attention, particularly due to the overlap in some of the issues discussed.

1.2 Early childhood education and care (ECEC) plays an essential role in a child's development but also that child's family's ability to participate in the workforce. Despite this, the sector has faced and continues to face a multitude of hurdles. Rising day care fees, increased regulatory compliance requirements, relatively low wages and high rates of workforce attrition all contribute to the difficult landscape in which providers and family must navigate.

1.3 I fully support the committee's comments and recommendations in their report into the immediate future of the childcare sector in Australia. In particular I was pleased with the committee's recommendation that 'the government rescind its proposed budget changes to ECEC funding, particularly in relation to (Child Care Benefit)'.

1.4 The Child Care Benefit ('CCB') and the Child Care Rebate ('CCR') are the two main payments made by the Commonwealth to families to assist with the costs of ECEC. The CCR which is not income tested and is paid to assist with the out of pocket costs of childcare has been capped at \$7500 for the next three years. The rebate was frozen at this level in the 2010–2011 Budget.

1.5 The CCB is means tested and paid to lower income families at differing rates, depending on the family's individual circumstances. The Government intends to freeze the income thresholds for this benefit for three income years. There is widespread opposition to this proposal as financial assistance is failing to keep pace with increases in the cost of childcare and indeed the broader cost of living.

1.6 The concerns about the state of the CCR and CCB were summarised by Ms Gwynn Bridge, President of the Australian Childcare Alliance:

The subsidies that families receive for ECEC for their children to be educated and cared for in high-quality and supportive environments have eroded over the past decade. This erosion has occurred through bracket creep and the freeze on the childcare rebate, together with the CPI increases on childcare benefit failing to keep pace with the ever-increasing costs of the provision of care. From budget 2014, families using ECEC will again bear erosion of subsidies.<sup>1</sup>

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1 Ms Gwynn Bridge, President, Australian Childcare Alliance, *Proof Committee Hansard*, 21 May 2014, p. 32.

1.7 The importance of improving childcare affordability was highlighted by the Grattan Institute, who in 2012 reported that:

Removing disincentives for women to enter the paid workforce would increase the size of the Australian Economy by about \$25 billion per year. The most important policy change is to alter access to Family Tax Benefit, and [C]hild Care Benefit and Rebate so that the second income in a family – usually, but not always, a mother – takes home more income after tax, welfare and child care costs.<sup>2</sup>

1.8 Childcare costs have been increasing steadily, with some centres charging up to \$200 per day for their services.<sup>3</sup> The Australian Childcare Alliance conducted a parent survey which revealed how price sensitive families are to changes in rates charged by providers:

...when fees increased by 10 percent approximately 48 percent of parents would decrease their usage of childcare by one or more days or withdraw completely from care. This result is exacerbated with a 20 percent increase in fees, where more than 70 percent of families indicated they would reduce usage by one or more days or withdraw completely.<sup>4</sup>

1.9 It is clear affordability is a key issue for families. The fees providers choose to charge are determined by a range of factors. The committee heard evidence from a number of submitters and witnesses regarding the cost to providers of implementing the National Quality Framework ('NQF'), a unified national system regulating childcare.

1.10 The objective of the NQF is to raise the quality of childcare and to encourage continuous improvement and consistency in the ECEC sector. In order to achieve these objectives providers are required to comply with the National Quality Standard ('NQS'), an instrument that sets benchmarks and applies ratings to the services offered by the provider. The areas that are rated by the NQS are:

- Educational program and practice
- Children's health and safety
- Physical environment
- Staffing arrangements
- Relationships with children
- Collaborative partnerships with families and communities
- Leadership and service

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2 Grattan Report, as cited in Australian Childcare Alliance, *Submission 13*, p. 9.

3 Ms Nesha O'Neil, President, Child Care New South Wales, *Proof Committee Hansard*, 23 May 2014, p. 5.

4 Australian Childcare Alliance, *Submission 13*, p. 9.

1.11 I acknowledge that providers are able to use the rating given by the NQS to demonstrate the strengths of their particular service. However I have concerns regarding the regulatory burden imposed by the NQF and the NQS. I raised these concerns with the Department of Education during the committee's public hearing in Canberra:

**Ms Wilson:** ... I think that what has happened is that with all good intention people established processes and some of those processes have added to layers of form-filling and red tape that people had not envisaged.

**Senator XENOPHON:** Are you saying that the paradox is that the intention of the process was to reduce red tape and an unnecessary regulatory burden, but it has had the perverse outcome to some degree of adding to that, because of the process?

**Ms Wilson:** That has been some of the feedback.<sup>5</sup>

1.12 The Australian Childcare Alliance confirmed to the committee that 56 percent of their members reported that the introduction of the NQF has resulted in them spending decreased or significantly decreased time with the children in their care.<sup>6</sup>

1.13 I agree that a national system improves consistency in what is required of an ECEC provider, however I have serious concerns that a single over-all rating is given rather than discrete ratings for each area. These concerns were raised with the Department of Education:

**Senator XENOPHON:** Noting that quality area one is 'educational programs and practice', area two is 'children's health and safety' and area seven is 'leadership and service management', some parents might view 'health and safety' or 'educational programs and practice' as having more weight than the way in which the centre is managed, although the two obviously can be linked together.

**Ms Wilson:** I agree with you. As parents we would want to make sure that area two, health and safety, is well and truly covered, so that when you take your child somewhere you know they are safe and that their physical environment is actually—

**Senator XENOPHON:** The point I am making, perhaps from a parent's perspective, is that they might have fantastic partnerships as families and communities, under area six, and they might pass leadership and service management with flying colours, and they might pass overall, but when it comes to health and safety and educational programs and practice they might be lagging behind. I think that is something parents would want to see. That is the feedback I have been getting.<sup>7</sup>

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5 Ms Jackie Wilson, Department of Education, *Proof Committee Hansard*, 22 May 2014, p. 5.

6 Australian Childcare Alliance, *Submission 13*, p. 25.

7 Ms Jackie Wilson, Department of Education, *Proof Committee Hansard*, 22 May 2014, p. 6.

1.14 I strongly encourage the Australian Children's Education and Care Quality Authority ('ACECQA'), the body leading the implementation of the NQF to consider revising the rating mechanism to allow providers to receive individual ratings for each of the seven assessable areas in order to improve transparency and provide a more accurate snapshot of the childcare provider's services.

### **Recommendation 1**

#### **1.15 That a separate rating is provided for each of the seven NQS areas assessed by ACECQA.**

1.16 I am also concerned that the assessment of childcare services by ACECQA is running so far behind schedule. In ACECQA's 'NQF Snapshot' for the first quarter of 2014 (released in May) it states that as at 31 March 2014 of the 14 358 ECEC providers in Australia, only 35 percent had been assessed.<sup>8</sup>

1.17 Concerns about the delay in assessing providers were echoed at the committee's public hearing in Melbourne:

One of the main things that are worrying the Australian Childcare Alliance is that the task of assessment has been huge, and the states are miles behind where they should be with assessing all the services around Australia. I think even to this date not even half are done, but that could have changed. What it means is that some services have already gone four years without a compliance visit. They may still go another two or three years, because the states are flat out trying to get through, and now those in the first lot they assessed who got 'working towards', which only gave them one year, are now coming up for reassessment. The assessment is just blowing out.<sup>9</sup>

1.18 Clearly greater resources need to be applied to this assessment process in order to properly implement the NQF and for the NQF to achieve its objectives.

### **Recommendation 2**

#### **1.19 The Government consider allocating more resources to ACECQA in order to expedite the ECEC provider assessment process.**

1.20 I also have concerns surrounding the capping of places for in-home care ('IHC'), particularly given its flexibility to respond to individual families' needs. In its submission to the Productivity Commission's inquiry into childhood and early childhood education, the National In-Home Childcare Association ('NICA') explained:

In-Home Care (IHC) is a capped, small, vital and integral part of child care services for families and a highly successful part of the early childhood mix and is presently only half of one percent of the Early Childhood budget of more than \$25 billion over the next four years.<sup>10</sup>

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8 ACECQA, *NQF Snapshot Q1 2014 (May 2014)*, p. 2.

9 Ms Gwynn Bridge, *Proof Committee Hansard*, 21 May 2014, p. 35.

10 National In-Home Childcare Association, *Submission 18*, p. 7.

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1.21 NICA continued:

IHC is recognition that some families do not have access to other child care options for a range of reasons, including non-standard working hours, which affects workers in a range of industries like emergency services, health, tourism, performing arts, retail and manufacturing. Many families live in remote locations with dispersed populations where there are no other forms of child care.<sup>11</sup>

1.22 Families wishing to use more flexible childcare options such as IHC may be stopped from doing so for a number of reasons. Firstly the cap on places limits supply, but where IHC educators are available families may be concerned about the lack of formal mechanisms in place to regulate the industry. NICA has proposed working with the Australian Nanny Association, Family Day Care and governments to “set-up a system of vetting and registration of educators to ensure all child care educators deliver high standards of care for the children they care for”.<sup>12</sup>

1.23 NICA has proposed to extend the current cap by 25 000 places and to require all IHC educators to be registered, to meet the standards required by the NQF (for example, to require educators to have or be actively working towards a diploma level qualification in ECEC or above) and to be vetted by State Regulators.

1.24 I support such a proposal as a sensible move towards providing more flexible care options for modern, working families while ensuring these educators are fit and proper people with appropriate qualifications.

### **Recommendation 3**

**1.25 The Government consider and provide a prompt response to NICA’s proposal for greater in-home care in Australia.**

**Senator Nick Xenophon**

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11 National In-Home Childcare Association, *Submission 18*, p. 7.

12 National In-Home Childcare Association, *Submission 18*, p. 18.



# **APPENDIX 1**

## **Submissions**

- 1** Early Learning Association Australia
- 2** Local Government Association of Queensland
- 3** East Brunswick Kindergarten and Childcare
- 4** Family Day Care Australia
- 5** City of Boroondara
- 6** SDN Children's Services
- 7** United Voice
- 8** Australian Research Alliance for Children and Youth
- 9** Independent Education Union of Australia
- 10** The Creche & Kindergarten Association Limited
- 11** Early Childhood Australia
- 12** Australian Childcare Alliance
- 13** UnitingCare Children, Young People and Families
- 14** Australian Industry Group
- 15** Child Care New South Wales
- 16** Victorian Government
- 17** City of Sydney
- 18** Northern Grampians Shire Council
- 19** Australian Education Union
- 20** Municipal Association of Victoria
- 21** KU Children's services
- 22** Australian Children's Education and Care Quality Authority
- 23** Department of Education
- 24** Cancer Council Victoria
- 25** Kookaburra Kindergarten

- 26 Community Child Care Co-operative
- 27 Goodstart Early Learning
- 28 Children with Disability Australia
- 29 Benevolent Society
- 30 Australian Council of Trade Unions
- 31 Business SA
- 32 Ms Lee-Ann Thompson
- 33 Early Childhood Intervention Australia
- 34 Social Policy Research Centre
- 35 Early Childhood Teachers' Association Inc.
- 36 Wynnum Family Day Care
- 37 Shop, Distributive & Allied Employees' Association
- 38 Australian Community Children's Services
- 39 Community Child Care Association Inc
- 40 Gowrie SA
- 41 Australian Community Children's Services NSW
- 42 Department of Premier and Cabinet
- 43 Australian Services Union
- 44 Baw Baw Shire Council
- 45 National In Home Child Care Association Inc.
- 46 Ms Natalie Akers
- 47 Public Service Association of NSW
- 48 The Awesome Mother's Association

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## **Additional information**

- 1 Document tabled at public hearing in Canberra 22 May 2014, by Goodstart Early Learning.
- 2 Document tabled at public hearing in Canberra 22 May 2014, by Goodstart Early Learning.
- 3 Additional information received from National Farmers Federation on 12 May 2014.
- 4 Additional information received from Early Learning Association Australia on 26 May 2014.
- 5 Document tabled at public hearing in Melbourne on 21 May 2014 by Australian Community Children's Services (ACCS).
- 6 Document tabled at public hearing in Canberra on 22 May 2014 by Early Childhood Australia.

## **Correspondence**

- 1 Correction to evidence from United Voice, received 6 June 2014.

## **Response to questions on notice**

- 1 Response to questions on notice from Early Childhood Australia received 23 May 2014.
- 2 Response to questions on notice from MADCAPS received 23 May 2014.
- 3 Response to questions on notice from Australian Research Alliance for Children and Youth (ARACY) received 4 June 2014.
- 4 Response to questions on notice from Australian Research Alliance for Children and Youth (ARACY) received 4 June 2014.
- 5 Response to questions on notice from Australian Research Alliance for Children and Youth (ARACY) received 4 June 2014.
- 6 Response to questions on notice from Australian Childcare Alliance (ACA) received 4 June 2014.
- 7 Response to questions on notice from Australian Childcare Alliance (ACA) received 6 June 2014.

- 8** Response to questions on notice from Australian Childcare Alliance (ACA) received 6 June 2014.
- 9** Response to questions on notice from United Voice received 6 June 2014.
- 10** Response to questions on notice from Australian Education Union received 6 June 2014.
- 11** Response to questions on notice from Australian Industry Group (AIG) received 6 June 2014.
- 12** Response to questions on notice from Australian Children's Education and Care Quality Authority (ACECQA) received 6 June 2014.
- 13** Response to questions on notice from Family Day Care Australia received 6 June 2014.
- 14** Response to questions on notice from KU Children's Services received 6 June 2014.
- 15** Response to questions on notice from Early Childhood Australia received 6 June 2014.
- 16** Response to questions on notice from Goodstart Early Learning received 11 June 2014.
- 17** Response to questions on notice from the Department of Education received 12 June 2014.

## **APPENDIX 2**

### **Public Hearings**

*Melbourne, Wednesday, 21 May 2014.*

BARNES, Ms Jacinta, Senior Coordinator Family Services Development, City of Boroondara

BRIDGE, Ms Gwynneth May, President, Australian Childcare Alliance

DAVISON, Ms Linda, National Treasurer, Australian Community Children's Services

FORESTER, Ms Belinda, Manager, Human Services, Baw Baw Shire Council

FORSTER, Mr John, Member, Children with Disability Australia

GEURTS, Ms Joanne, Board President, Early Learning Association Australia

GOTLIB, Ms Stephanie, Executive Officer, Children with Disability Australia

HALLIDAY, Mrs Caroline, Family Day Care Coordinator, Baw Baw Shire Council

HAYTHORPE, Ms Correna, Deputy Federal President, Australian Education Union

KENNEDY, Dr Anne, National Secretary, Australian Community Children's Services

LUCAS, Mr Shane, Chief Executive Officer, Early Learning Association Australia

MARTENS, Ms Leonie Kate, Coordinator, Family and Children's Services, Baw Baw Shire Council

MUSSARED, Ms Kylie, Manager Family, Youth and Recreation Services, City of Boroondara

OSBORNE, Ms Justine, SunSmart Schools and Early Childhood Program Coordinator, Cancer Council Victoria

QUINN, Ms Shayne, Representative on AEU National Early Childhood Education Committee, Australian Education Union

ROSS, Councillor Coral, Mayor, City of Boroondara

***Canberra, Thursday, 22 May 2014.***

ASHWIN, Ms Kristy, Centre Coordinator, Merredin and Districts Childcare and Play School (MADCAPS)

BESSEY, Ms Amarylise, Senior Research Manager, Australian Research Alliance for Children and Youth

CALDWELL, Ms Jo, Group Manager, Early Childhood Strategy Group, Department of Education

CHERRY, Mr John Clifford, Advocacy Manager, Goodstart Early Learning

COOPER, Ms Christine, Assistant Federal Secretary, Independent Education Union of Australia

JAMES, Ms Lisa, Early Childhood Organiser, NSW/ACT Branch, Independent Education Union of Australia

MITCHELL, Ms Gillian, Branch Manager, Strategic Policy Coordination, Department of Education

PAGE, Ms Samantha, Chief Executive Officer, Early Childhood Australia

RYAN, Ms Rebecca, Chairperson, Management Committee, Merredin and Districts Childcare and Play School (MADCAPS)

SPRIGGS, Mr John, Senior Industrial Officer, Queensland/Northern Territory Branch, Independent Education Union of Australia STEEL, Mr Chris, Policy Manager, Early Childhood Australia

WADDOUPS, Ms Anne, Senior Research Manager, Australian Research Alliance for Children and Youth

WILSON, Ms Jackie, Deputy Secretary, Early Childhood Education and Care, Department of Education

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*Sydney, Thursday, 23 May 2014.*

BEANGE, Mrs Monique, General Manager, Early Childhood Education, KU Children's Services

BELL, Ms Sandra, Private capacity

BROWN, Ms Poppy, General Manager, Community Programs, KU Children's Services

CARMICHAEL, Mrs Vicki, Sector Support Manager, Family Day Care Australia

COOKE, Mr Roderick, Chief Executive Officer, Community Services and Health Industry Skills Council

CURTIS, Ms Karen, Chief Executive Officer, Australian Children's Education and Care Quality Authority

DAWSON, Ms Karen, Acting Chief Executive Officer, KU Children's Services

DONNAN, Ms Emily, Private capacity

DOYLE, Ms Kay, Private capacity

GOODGER, Dr Brendan, Policy and Research Manager, Community Services and Health Industry Skills Council

McNELLIE, Ms Peta, Executive Manager, Family Day Care Australia

NORTHAM, Ms Carla, Chief Executive Officer, Family Day Care Australia

O'NEIL, Ms Nesha, President, Child Care New South Wales

REDDELL, Ms Anne, Board Member, Australian Children's Education and Care Quality Authority

ROBINSON, Ms Jane Lizbeth, General Manager, People Services, KU Children's Services

RYAN, Ms Lyndal, National Vice President, United Voice

SKOULOGENIS, Mrs Vicki, Private capacity

SMITH, Mr Stephen Thomas, Director, National Workplace Relations, Australian Industry Group

STREET, Ms Nicola, National Manager, Workplace Relations Policy, Australian Industry Group

TAYLER, Professor Collette, Deputy Board Chair, Australian Children's Education and Care Quality Authority

TOHME, Ms Sasha, Media and Communications Coordinator, Family Day Care Australia