



## Children's Services Policy

With record numbers of Australian children enrolled in children's services, WEL considers access, quality and affordability of children's services to be a key issue for women across Australia.

### Recent changes to Early Childhood Education and Care

WEL applauds both state and federal governments for the suite to changes made to the early childhood education and care (ECEC) sector through the 2009 *National Early Childhood Development Strategy*. There are several key components of this strategy which are affecting positive change for women, including:

- The *National Quality Framework*, including the *National Quality Standard*, has led to improved child to educator ratios and higher standards of education for educators;
- The *National Partnership Agreement on Early Childhood Education*, which ensures universal access for each child to ECEC for 15 hours per week;
- The *National Partnership on Indigenous Early Childhood Development* will fund 38 new Child and Family centres and invest \$564m into early learning initiatives for Indigenous children.

Modest improvements were made to the availability of ECEC in 2007 when the Federal Government increased the Child Care Tax rebate to 50% of a higher total, which is now pegged at \$7500 per annum, and increased the frequency of payment to parents.

### Outstanding concerns regarding Early Childhood Education and Care

#### Access

There are still major unsolved issues regarding the accessibility of children's services, meaning children miss out on needed services, and most primary carers finding problems in accessing the care they need. Accessibility concerns include location, hours available and flexibility.



As of 2011, there were 71 328 children still requiring long day care.<sup>1</sup> There are additional gaps for Aboriginal and Torres Strait Islander children, and children with special needs.<sup>2</sup>

## **Wages**

There is a critical need to increase wages for both the certificate, and bachelor, trained educators in the sector. The Government's investment of \$300m into the Early Years Quality Fund, is a good first step, however will not meet the estimated \$1.4bn required to pay all early childhood educators a professional wage.

## **Funding Model**

WEL has significant concerns about the market-model of funding used in the ECEC sector. Despite much evidence of the importance of early learning for children aged zero to six, early childhood education is not granted the universal funding that primary, secondary and tertiary education receives in Australia.

The current market-model of ECEC clearly does not meet the needs of Australian women and their children.

The increasing proportion of commercial and corporate providers raises questions about service roles. Early childhood facilities should be integrated into wider community service networks with an ethos that encourages co-operative rather than competitive functioning, capacity and trust.

Due to the influx of commercial services in the sector, policies must be changed to put more power in the government hands to purchase the services it needs. This is the only way that social, economic and community needs can be met at reasonable costs.

---

<sup>1</sup> 4402.0 - Childhood Education and Care, Australia, June 2011

<sup>2</sup> PWC, Early Childhood Development Workforce Research report, p. XXII



*Rebate system*

The two primary funding mechanisms for the ECEC sector are in the form of rebates to parents; the Child Care Benefit (means-tested) and the Child Care Rebate (not means-tested).

The funding system does not reflect differential costs of services and assumes that funding fee relief for parents will create a market responsive to their needs. However, demand so outstrips supply – especially in city centers – that few parents have choices that allow for any meaningful pressure on providers.

Additionally, as the funding is a standard subsidy, per hour per child, up to a full day; there is no incentive to provide places for younger children who require higher staffing levels or to locate services in high cost areas. Fees range from \$65 per day to \$180 plus, with no mechanism to contain fees.

**Recommendations**

1. The funding of children's services needs to be changed so there are direct negotiations possible between the funder and provider. WEL suggests a basic operational subsidy be offered to each approved service that funds a proportion of an agreed budget (for example, 25-30%) subject to agreements on fees, hours and types of places available.
2. The establishment of a specific early childhood education and care funding and planning system that is based on a planning, needs based model that establishes locations and sets up budgets that reflect local needs. Such needs would include location, capacity, span of ages provided for, staffing, pay rates and other necessary budget items, including return of capital invested and agreed profit margin. Offer possible capital and loans for hard-to-service areas.



3. Wage increases in the *Children's Services Award*, recognizing the increasingly professionalised nature of the work, and taking into account the highly feminised nature of the sector.<sup>3</sup>
4. Establish and extend the Budget Based model of funding children and family services as an alternate model to the current child-based funding. This model, which funds most Indigenous services is a direct funding contract for an agreed budget between the funder and the service. The ability to vary the contract and agree on costs allows local services to offer the range of services needed, staff them appropriately and meet diverse community needs. This allows services to meet complex social needs rather than tailor services to meet a standardized budget
5. Ensure that all ECEC services undertake cultural awareness and cultural safety courses that recognise our debt to Indigenous cultures as well as the diversity within our communities.
6. Fund services that are responsive to the flexible care needs of children three years and under.
7. Make capital grants available for new services in high need area, together with local Non-Government Organisations.
8. Expand and fund appropriately a good network of Out of School Hours services
9. Implement the Henry Tax Review recommendation of combining the Child Care Benefit and the Child Care Rebate, without reducing child care benefits to low income households.

---

<sup>3</sup> The sector is 97% feminised, PWC, Early Childhood Development Workforce Research report, p. XXVIII