



August 2009

KPV Submission in response to the Regulatory Impact Statement for Early Childhood Education and Care Quality Reforms

Kindergarten Parents Victoria (KPV) welcomes the opportunity to comment on the *Regulatory Impact Statement for Early Childhood Education and Care Quality Reforms* (RIS). KPV has consulted with early childhood education providers in developing this submission.

The National Quality Agenda recognises the significant benefits to children and the broader community derived from quality early childhood education. KPV believes that the reform agenda highlights the needs of children and families and places them at the centre of service provision. The agenda will simplify the administration of services, remove barriers to service integration and create structural measures of quality. All these measures are commended.

In our consultation with members, we found there was general support for reforms to enhance service quality and consistency in administration for early childhood services. However, whether option 2, 3 or 4 of the National Quality Standard is implemented, significant challenges in execution will exist. Early childhood service providers must be supported to overcome the constraints in delivering on the quality reforms while ensuring current participation levels can be built upon. Removing costs to parents must be a primary concern as costs act as a significant barrier to children's participation in early childhood education.

This submission outlines some key comments in relation to each of the three areas for reform.

National Quality Standard

- **Costs to parents must be minimised in order to promote participation in early childhood education.**

The RIS suggests around 47% of cost increases will flow on to parents. In recognition of the profound benefits to children and society of participating in quality early childhood servicesⁱ, early childhood services need to be fully funded by government in order to promote universal access.

Currently parents significantly underwrite the provision of early childhood education in Victoria. This is not only represented in shortfalls in government funding for service delivery, but also costs associated with management and governance. The current financial contribution of parents in itself represents around 35% of the total costs of providing kindergarten programs in Victoria. KPV's *2008 Survey of Independent Committees of Management*ⁱⁱ indicates parent fees currently represent approximately 30% of independent kindergartens' total operating costs. Fundraising, representing a financial contribution made by parents and the wider community, currently represents about 3-5% of annual turnover of independent kindergartens.

The voluntary role of parents represents approximately 20 hours of administrative time each week made in the areas of service governance and advisory committees, fundraising, site maintenance and assisting with the delivery of educational programs.

Parents should not be asked to further subsidise the delivery of early childhood education. Government must move to fully fund these services in order to maximise participation in early childhood education.

- **Workforce strategies will be critical to the successful implementation of the National Quality Standard.**

High staff/child ratios and staff qualifications are key structural drivers of quality in early childhood education. Options 2 and 3 propose changes similar to the Victorian *Children's Services Regulations 2009* and as such, mirror enhanced quality reforms already in process for Victorian services.

We wish to highlight that current workforce shortages will be exacerbated by increases in the amount of early childhood education delivered (Universal Access Project) and the improvements to requirements for staff qualification and ratios outlined in Options 2, 3 and 4. We believe that active strategies and appropriate government resources must be directed to addressing workforce issues.

The need for exemptions on ratios and qualifications as a means of ensuring the delivery of early childhood services where appropriate staff are consistently unavailable, for example in small rural services, is acknowledged. However, exemptions should be available as a last resort in order to ensure service delivery under early childhood services regulations. In the interests of service quality, it is preferable that the strongest possible emphasis is given to workforce strategies that address recruitment, retention and skilling existing staff, rather than an over-reliance on exemptions. Further developing the indigenous workforce would be particularly beneficial for small rural services in communities where indigenous families are strongly represented.

Workforce strategies need to take into account the need to support the existing workforce to adapt to the changing environment as well as recruit new entrants to the early childhood workforce.

- **Existing kindergarten provision must be protected given workforce shortages and increased demands on infrastructure.**

Many services are considering how they will be able to continue the programs they currently offer, given pressure to expand service provision, current staff shortages and often limited and ageing infrastructure. In communities where significant workforce and infrastructure constraints exist, the National Quality Agenda may have the unintended consequence of reducing places for children and increasing costs for remaining places as kindergarten is funded on a per capita basis in Victoria.

Within Victoria we have an existing situation where, due to per capita funding and relatively few children in the area, some rural kindergartens are unable to provide 10 hours of kindergarten. To accommodate this they provide reduced hours of service. These services will need further support to offer programs once new quality standards are introduced. The quality agenda and broader measures to ensure all children can access kindergarten from a degree qualified teacher needs to pay particular attention to ensuring access to early childhood education for children living in remote areas, including indigenous children.

Three year old kindergarten programs must not be a casualty of quality reforms. Research demonstrates a second year of high quality early childhood education supports good outcomes for children, in particular for disadvantaged children, and there is strong parent demand for these services. The Victorian Kindergarten Fee Subsidy recognises the importance of 3 year old programs in promoting enhanced outcomes for vulnerable children.

- **The broad based approach to quality reforms in early childhood services should include the extension of both the child care benefit and child care rebate to families accessing sessional kindergarten programs.**

The Child Care Benefit (CCB) and Child Care Rebate (CCR) provide financial assistance to families of children in long day care, including kindergarten programs provided in long day care centres. This assistance is not available to families who access sessional kindergarten programs. KPV recommends the Commonwealth extend the CCB and CCR to families with children in kindergarten programs provided outside long day care by relaxing the requirements for hours per day and weeks per year of services provided.

The separation of kindergarten and child care is an antiquated concept hanging over from differing approaches to state and commonwealth responsibilities. The separation is directly related to an increased focus on child care and women's participation in the workforce. Prior to 1977 the Commonwealth had a commitment to preschool education for every child, which was abandoned and all funding from the Commonwealth ceased in the mid 1980's. New priorities and understanding about the benefits of preschool education should reinvigorate the debate about adequate funding to ensure access to a year of preschool. New relationships between the Commonwealth and State governments should open the way to review the funding of kindergarten and if necessary review legislation and regulation which limits access to CCB and CCR for kindergartens.

The early childhood sector is heading towards increased national consistency, driven especially by the National Quality Reform Agenda and the Universal Access project. This extension will complement the streamlining of regulation and integration of services and support access to early childhood education.

Enhanced regulatory arrangements

- **Enhanced regulatory arrangements have the potential to simplify the process of licensing and accreditation for children's services and facilitate the process of service integration.**

Option 2 in the RIS *'An integrated national system for administering the National Quality Standard and Ratings Framework, and a new body assuring national consistency'* has the potential to dismantle historical silos associated with children's services, in particular kindergarten programs and long day care and create a system more in tune with the integrated provision of the range of children's services. As a result, Option 2 is suggestive of a model of regulation and licensing that puts the needs of children and families at the centre of service planning and delivery and reduces the time many services need to spend administering dual systems for child care services and kindergarten programs. This reform also promises to make the process for services currently providing a limited number of services to expand the range of services offered a considerably less onerous task to manage.

A significant outstanding issue in relation to this proposal is how best to utilise the expertise of Victorian Government in administering children's services in this state, for

example through delegated responsibilities, while maintaining a genuinely national, single system of licensing and regulation for early childhood services.

National Quality Rating Framework

- **The Quality Rating Framework may not have the positive impact on quality that is intended.**

Parental choice in accessing early childhood services is often constrained by geography and shortages in the supply of places rather than based on value-maximising choices in a typical market. The Ratings Framework may lead to the adverse situation where prices are increased in some instances while parental choice is largely unchanged. This may occur where there is unmet demand for services able to achieve the highest quality ratings. This is likely to create upward pressure on prices for services that can meet the highest ratings. Some families unable to pay higher prices for services achieving an 'excellent' or 'high quality' rating may feel they can only afford a service demonstrating a lower standard of quality. We note however that quality accreditation has not been used extensively as a marketing tool for child care providers.

- **Time limits should be applied to the category 'Operating Requirements'.**

Improving the quality of children's experiences in early childhood services should be at the heart of the Quality Rating Framework. Currently the rating of 'operating requirements' does not indicate what timelines or remedial measures will be in place to assist services to quickly meet the National Quality Standard or a higher rating. As it is currently outlined, this category has the potential to be used as a loophole for the ongoing provision of poor quality services by unscrupulous operators in early childhood services. Strict time limits should be applied and enforced under this rating in order to ensure early childhood services achieve the National Quality Standard and to promote a culture of quality across the range of early childhood services.

- **In the case of cluster managed and other group managed services the Quality Rating Framework should rate individual sites.**

Accuracy in ratings will be increased by addressing individual sites, rather than the cluster manager as a whole entity as is the current practice with the accreditation of family day care schemes.

Conclusion

KPV thanks the Department of Education, Employment and Workplace Relations for the opportunity to provide ongoing input into the development of the Quality Reform Agenda for Early Childhood Education and Care. We look forward to providing further input as the agenda is further developed.

About KPV

Kindergarten Parents Victoria (KPV) is the peak body and employer group for early childhood education promoting the voice of parents in quality early childhood education for Victorian children and serving more than 200,000 children and their families. Our members include over 1000 independent, local government and cluster managed kindergarten, child care and other early childhood services across the state.

KPV undertakes a range of activities designed to promote quality in Victorian kindergartens including regular training and an advice service which offers a wide range of supports on governance, management and program issues. This is partially funded by the Victorian State Government and many of our training sessions are undertaken in collaboration with local government.

i Sylva, K. et al. (2004:ii); Schweinhart, L.J. (2005: 3); Kilburn, M.R. & Karoly, L. (2008: 11)

ii This survey is conducted among KPV members. In 2008 around 179 independent committees participated, making the survey a substantial, though incomplete, account of the parent financial contribution.