



**YMCA AUSTRALIA RESPONSE TO:**  
**REGULATION IMPACT STATEMENT for**  
**EARLY CHILDHOOD EDUCATION AND CARE QUALITY REFORMS**

August 2009

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## **1. Executive Summary**

As a significant provider of child care across the nation, YMCA Australia believes that the Early Childhood Education and Care sector critically requires:

- a new child care framework that will deliver high quality child care to all Australian families, including those in disadvantaged communities, and in rural and regional areas;
- a realignment of the not for profit/commercial operator mix of child care providers;
- workforce training and development; and
- National guidelines and quality standards.

Currently, less than 0.5% of GDP is spent on childcare in Australia in comparison to the 2008 UNICEF report which recommended that over 1% of GDP should be the benchmark investment for developed nations (UNICEF, 2008). A greater government spend on early childhood reform is urgently required and the current reform will help begin this revolution.

YMCA Australia is highly supportive of the current reform agenda in early childhood education and care and while we broadly agree with the proposed changes set out by the Regulation Impact Statement, we have concerns in two critical areas:

- Workforce development and
- The need for greater support and recognition of not-for-profit models of service delivery

Our concerns regarding the proposed reforms and workforce development issues are grounded in recognition that:

- unless there is significant investment on the part of governments to enhance the strength and resilience of the early childhood workforce the proposed reforms to increase qualifications and reduce staff to child ratios will have limited success and will place greater strain on an already stretched workforce; and
- this will require a range of integrated strategies to attract and retain staff in the sector, to create a cultural change and elevate the status of early childhood educators, enhance wage rates, improve working conditions and provide strong and attractive career development pathways.

The need for greater support and recognition of not-for-profit models of service delivery stems from our concerns that:

- in the past there has been an imbalance in the sector between for-profit and not-for-profit providers;
- there have been some serious issues regarding the long-term sustainability and quality of for-profit models of childcare; and
- the proposed reforms may result in the erosion of the capacity and viability of not-for-profit models in the early childhood sector.

## **2. Introduction**

YMCA Australia welcomes this opportunity to provide our response to the Regulation Impact Statement for Early Childhood Education and Care Quality Reforms.

YMCA Australia is a community-based not-for-profit organisation that delivers programs and services to help build strong people, strong families and strong communities across Australia. The YMCA operates in over 500 locations across Australia and during 2007 an estimated 2.2 million Australians accessed a YMCA facility or service. We employ over 7,500 staff and work with more than 3,000 volunteers.

In addition to providing this written submission, YMCA Australia has participated in numerous community consultation forums held by the Department of Education, Employment and Workplace Relations (DEEWR) in recent weeks. We also provided a response in 2008 to the Council of Australian Governments (COAG) Productivity Agenda Working Group discussion paper: *A National Quality Framework for Early Childhood Education and Care*.

### **The YMCA's role in Early Childhood Services**

The YMCA is one of Australia's largest not-for-profit providers of children's services. We understand the key factors in delivering effective and successful children's programs and are committed to developing and operating the highest quality programs.

We have 2,219,270 participations in Y Children's Services annually and we currently manage 22 child care centres, over 200 OSHC facilities, 93 kindergarten sessions and 4 family day care schemes.

We seek to provide programs that support and strengthen families and nurture the health development of each child involved. We also recognise and value the role that children and families play in building strong communities and the positive impact a caring and connected community has on the welfare of children.

Our support for children and families involves a range of not-for-profit programs and services that includes, but is not limited to:

**Early Childhood Care and Education**

- Centre Based Long Day Care
- Occasional Care
- In Home Care
- Family Day Care
- Extended Hours Care
- Creche
- Preschool
- Kindergarten

**Outside School Hours Care**

- Before School Care
- After School Care
- Vacation Care

**Early Intervention Developmental Programs**

- Playschool
- Ed Gym
- Aquatic Education
- Gymnastics
- Healthy Kids
- School Sports
- Sport Skill Development Programs
- Camping

**Family Programs**

- Family support programs
- Family education programs
- Family recreation programs

### **3. Response to Consultation Questions**

#### National Quality Standards and Ratings Framework

*3.1 Governments are proposing to implement consistent minimum standards of care across Australia. Do you agree with this approach? Why or why not?*

YMCA Australia is highly supportive of initiatives towards the adoption of consistent national standards of care and the consolidation of licensing and quality standards across jurisdictions. There is significant current overlap of state and territory licensing requirements and National Childcare Accreditation Council (NCAC) regulations, creating unnecessary and burdensome duplication of documents and reporting. Parents and families also experience a level of confusion regarding which regulatory authorities oversee particular areas within early childhood education and care, limiting their capacity to make educated decisions about the best options for their children.

While we agree that this approach to achieve national standardisation demonstrates a step in the right direction and a commitment on the part of governments to early childhood education and care reforms, there are some concerns about the resourcing and implementation of this process that will be discussed throughout this submission.

With the current market-based approach to delivering childcare in Australia, service profitability will decline without further Government investment. Learning from the recent experience of the sector with the collapse of ABC Learning, it will be critical for the Australian Government to actively redress the historical imbalance between for-profit and not-for-profit providers of childcare to ensure the success of proposed reforms and ensure that the needs of children will not be outweighed by the needs of shareholders.

YMCA Australia would also urge the Federal Government to revisit previous funding that used to be available for community-based services including not-for-profit providers to help redress this imbalance, thus providing the best option of our children.

YMCA Australia believes the current reform agenda, and the funding model that will be designed to support it, has the ability to shift the childcare paradigm back to the mixed economy of services incorporating a strategy for increasing the service provision from philanthropic organizations, not for profit organizations and local government bodies.

*3.2 For each care type, which of the options set out in Chapter 5.3 do you believe would best achieve a good balance between meeting the government's objective of enhancing learning and development outcomes for children, and affordability for parents, and why?*

With regard to Long Day Care, YMCA Australia believes that Option 3 will achieve the objective of reducing child to staff ratios through a successful transition and allowing providers and families to adjust while undertaking the implementation of new changes. In terms of a transition across all jurisdictions, Option 3 would also provide the most realistic outcomes and implementation timeframes given that some states are closer to meeting these standards than others.

YMCA Australia recommends the adoption of Option 2 for Family Day Care as this will achieve a more consistent level of care for parents, children and educators. This option will also ensure greater consistency across all jurisdictions and the adoption of Certificate III for carers will provide a pathway for standardisation of the knowledge of carers achieving a more consistent, higher quality care for children.

One of the key challenges will be to meet the qualification standards for carers, many of whom have young children themselves and this may act as a barrier to further study in the short-term. There is also a concern about the long-term financial implications for Family Day Care support schemes more broadly, with the reduction in the staff to child ratio from 1 to 4 and the consistency between the proposed reforms and existing state regulations.

In formulating realistic timeframes for implementing the new qualification standards, consideration will need to be given to skilling-up of existing non-qualified carers to ensure

they are not lost from Family Day Care programs and the costs associated with new or prospective carers attaining a Certificate III qualification to ensure the Family Day Care system can be sustained. There will also need to be support for innovation in flexible learning delivery of these qualifications.

*3.3 Do the proposed standards address different cultural and diversity requirements and considerations adequately? If not, do you have any suggestions for how the standard could be further improved?*

YMCA Australia is concerned that the standards and ratings framework does not sufficiently incorporate references to supporting cultural diversity and ensuring that diverse cultural, religious and linguistic need are met through the building of successful relationships with parents, families and communities. We also recommend that additional support and allowances should be made for early childhood services that are required, due to community need, to employ bi-lingual staff and staff that may need specialised cultural awareness training. For some service providers this may need to be built into staffing requirements and qualification standards.

Further consideration will also need to be given to the training and professional development of educators from non-English speaking or culturally diverse backgrounds to ensure their continued contribution to and employment with the early childhood education and care sector.

*3.4 What could be the impacts of the proposed changes to FDC arrangements?*

While YMCA Australia supports the adoption of reduced carer to child ratios and new qualification standards as a central component to the improvement of the quality of early childhood education and care there may be some implications such as a loss of carers in the system due to an inability to meet the qualification standards and a concern that a wealth of experience and knowledge will be lost from the sector. We are also concerned that without significant support and investment from governments, costs will inevitably be passed on to parents and families, who often look to Family Day Care as a more cost-

effective and preferred option for various reasons. There will also be a difficulty in attracting new carers into the Family Day Care scheme due to the need to meet the qualification standards and as mentioned previously, many carers are also parents of young children themselves which can often prove to be a barrier to attaining higher qualifications in the short to immediate term.

Requiring FDC carers to meet the new qualification standard before commencing caring may have the impact of being too restrictive, particularly if implementation and transition timeframes are not sufficient or inadequately supported. This may result in carers leaving the scheme and will fail in attracting new carers to FDC, ultimately limiting options for families who would prefer to use FDC as an option.

*3.5 What would be the impacts of the proposed changes to staff qualifications on services, particularly small, or rural or remote services?*

The greatest concern of YMCA Australia with regard to the proposed reforms is that of workforce development which will have implications throughout the sector, but will be brought into sharper focus for smaller, regional and remote service providers. Considering the current skills shortage in the early childhood education and care sector, an increased qualification demand and lowering of staff to child ratios will place significant pressure on a sector that is already at crisis point.

While we support the proposed reforms regarding staff qualifications and staff to child ratios as central to the delivery of quality care, there needs to be a significant and sustained investment on the part of governments to enhance the strength and resilience of the early childhood workforce. This will require a range of integrated strategies to attract and retain staff in the sector, to create a cultural change and elevate the status of early childhood educators, enhance wage rates, improve working conditions, flexible delivery of qualifications and provide strong and attractive career development pathways. The early childhood education and care sector is continuing to struggle with high transfer rates of qualified staff to the school system or to specialist areas because of higher wage rates, improved working conditions and stronger career pathways. Without a broad range of strategies that are integrated and provide sustained sectoral development from the

bottom up, the proposed reforms to increase qualifications and reduce staff to child ratios will have limited success and will place greater strain on an already stretched workforce.

This investment must also incorporate initiatives to elevate the profile of the early childhood education and care sector within Government and throughout the broader community. There is a critical need to raise awareness about the intrinsic value of early childhood educators and the essential role they play in the growth and development of children and in the support of families. For example, in New Zealand childcare staff are referred to as teachers and the worth of their profession is seen on a par with teaching staff.

Many parts of the sector also have a high reliance on casual staff and while this can often be very beneficial to service providers in terms of greater flexibility and sustainability, casual staff may have greater difficulty in attaining full qualifications and this could result in many highly skilled and experienced casual staff being deterred from working in the sector.

There are a range of complex and inter-related issues that have implications for early childhood education and care providers in regional, rural and remote communities. In addition to workforce issues facing the sector more broadly, providers in regional and remote communities face additional barriers in attracting and retaining staff such as geographical isolation, social isolation, higher living expenses, transport costs and limited access to housing. To enhance the level of support for the provision of quality early childhood education and care in regional and remote communities there will need to be significant investment across a range of government portfolio areas and the issues facing the early childhood sector cannot be addressed in isolation from the myriad factors influencing the delivery of services outside metropolitan areas.

The experience of the YMCA in Australia in delivering early childhood services in regional and remote communities has shown that the greatest success can be achieved through partnerships with government or large corporations (for example, mining companies) that are willing and have an interest in long-term investment into the local community. Through these partnerships, the YMCA has, in some locations, been able to offer higher

wage rates, assist with relocation costs and create other incentives to ensure that qualified staff are attracted to regional and remote areas and are retained. YMCA Australia is also able to attract staff in regional, rural and remote communities because we are also a Registered Training Organisation (RTO) and can offer flexible training options.

The integration of support from government for these active partnerships in regional and remote communities into the early childhood reform agenda will play a critical role in establishing a sustainable future for the provision of early childhood services in regional, rural and remote areas.

*3.6 Do you think the proposed quality rating system would be an effective indicator of service quality?*

The YMCA is supportive of the proposed quality ratings system as it is very similar to the current rating system used by the National Childcare Accreditation Council and as such, would be relatively familiar to service providers across the country.

We are concerned, however about the implementation of a rating system for which the ratings scale is very broad and may be open to interpretation on the part of individuals. Parameters and guidelines related to each rating will need to be very clear and unambiguous to ensure that service providers have an accurate understanding of what is expected. Little information has been provided regarding the appropriate timeframes for providers to move progressively from a lower rating to the National Quality Standard and the initiatives that might be taken to support providers through this process. It is uncertain as to the mechanisms for review and timeframes applicable during the assessment phase when a rating has been established and then for the provider to initiate required changes.

3.7 *Would the quality rating system help to drive continuous improvement in the ECEC sector? If not, do you have any suggestions for how the quality rating system could be further improved?*

YMCA Australia is highly supportive of a national quality ratings system and while such a system may prevent complacency in terms of sustaining a high quality of care and will encourage providers to achieve the highest standards, it should be implemented within a broad suite of initiatives to enhance continuous improvement in the sector.

A consistently applied national quality ratings system will also provide a solid benchmark across Australia with all providers committed to working towards the same high standards.

3.8 *What criteria do you think should be used to rate a service as Excellent? How should the rating be assessed and by whom?*

YMCA Australia believes that to achieve the highest quality early childhood education and care outcomes, service providers must be able to demonstrate:

- a high quality of staff to child interactions;
- the provision of a safe, nurturing and inviting environment;
- a commitment to always working in the best interests of the child;
- a commitment to developing high quality staff and parent relationships;
- adherence to clear procedures and practices that are followed by all staff;
- a commitment to staff training and professional development;
- consistency in staffing;
- a commitment to social inclusion measures that ensure all children's needs are supported within the service; and
- a commitment to value adding to the service through research, training and professional development in order to attain best practice in early childhood education and care.

The quality ratings system should be implemented by an independent body with assessment and accreditation officers that have received specialist training in early childhood education and care. It will be critical that the quality rating systems also provides an opportunity for parents, families and staff to have input

### Licensing and regulatory arrangements

3.9 *Do you think integrating the existing regulatory arrangements will reduce costs for the industry and for governments? Do you think the approach will be sufficient to ensure ECEC provided is high-quality?*

YMCA Australia is concerned in the short-term, that costs will not be reduced as there will need to be a substantial investment in staff training and significant government financial support will be required to ensure that prohibitively high costs are not passed on to parents and families.

We are also concerned that the acceptable ratings range from 'Operating Requirements' to 'National Quality Standard' do not adequately represent high-quality care and that providers who receive these ratings will not be held to a higher standard.

### Implementation

3.10 *What do you consider to be the key advantages and disadvantages of the proposed reforms?*

YMCA Australia believes some of the clearest advantages of the proposed reforms will be an improvement in the quality of outcomes for our children through lowering staff to child ratios and that efficiency of service delivery will also be enhanced through the adoption of a consistent national regulatory framework.

Some of the key disadvantages will be the initial level of investment required by providers in terms of time and resources to train current staff about the proposed reforms and ensure that qualification standards are met. In addition, lowering the staff to child ratio will have an immediate effect on the numbers of available places within each service provider as room size sets the limitation on the maximum number of children that can be cared for. The implementation of reduced staff to child ratios will also require a relative investment in infrastructure including greater capital investment to maintain and increase available places across the sector. This will be particularly critical for providers of long day care services.

*3.11 What do you consider to be the key challenges associated with the implementation of the proposed reforms?*

The primary challenge will be in the level of investment in workforce development and ensuring that the sector has the capacity to support the qualification standards. As mentioned previously in this submission, the ability to attract and retain staff with the requisite level of formal qualification will depend primarily and almost exclusively on the level of commitment and investment on the part of governments to build substantial and sustainable workforce development strategies that are integrated and emerge from the bottom up.

The other critical challenge will also be to secure resources and funding for the implementation of the proposed reforms to ensure that prohibitively high costs are not passed on to parents and families, while also ensuring that providers are not bearing the total costs of staff training, professional development and capital investment that will be required to expand infrastructure. Without significant core funding support from governments in this regard, the reform agenda will favour the private, for-profit service providers with high costs being passed on to parents and families. As mentioned previously, the successful reform of the early childhood education and care sector in Australia will require supporting the not-for-profit providers and the achievement of a more sustainable balance in the market share between for-profit and not-for-profit services.

### 3.12 *What factors may impact on the ability of ECEC services to implement the reforms?*

There are four primary factors that will critically impact the ability and capacity of early childhood education and care providers to implement the proposed reforms, including:

- Location: as mentioned previously, providers in regional, rural or remote areas will face significant issues in terms of implementation due to a range of factors involving workforce issues and attraction and retention of personnel, social and geographic isolation, living costs, transport costs, housing availability and levels of community infrastructure;
- Staffing: whether attracting new and suitably qualified staff or re-training current staff to meet the proposed qualification standards this will be an issue for all providers and particularly for the not-for-profit sector in terms of the costs that will be incurred;
- Financial capacity: the not-for-profit sector will face significant issues in terms of meeting the costs that will be required to implement the proposed reforms. As mentioned previously, the successful implementation of the proposed reforms will require significant investment on the part of governments to ensure the continued sustainability and viability of not-for-profit providers;
- Infrastructure and facility requirements: buildings are currently designed to meet the requirements of children and available spaces. The proposed reforms will mean that many centres will not be able to meet the required standards without decreasing the number of available spaces.

*3.13 What transition arrangements do you consider appropriate for implementing the proposed staff-to-child ratios and staff qualifications?*

Implementation of the above reforms will require a significant and flexible time frame to allow for the transition to the new arrangements across different jurisdictions. As mentioned previously some providers in the sector will be closer to meeting the requirements of the proposed reforms than others.

There will also need to be a significant investment in time and resources to support and train managers, directors and early childhood staff about transition arrangements and expected timeframes.

*3.14 What is the overall impact of the proposed changes on you and what would be your response?*

While the overall impact of the proposed changes will undoubtedly be positive and drive sector reforms that will enhance the quality and consistency of early childhood education and care, the key concern of YMCA Australia is that without far-reaching and long-term strategies to support significant workforce development, the intended outcomes of the reform agenda will be difficult to achieve. We are also deeply concerned that the unintended outcomes may result in fewer available places in a sector where demand already exceeds supply, greater pressure on an early childhood workforce that is already at crisis point and a further erosion of the role of not-for-profit providers.