



COMMUNITY CHILD CARE CO-OPERATIVE

LTD. (NSW)

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Russell Ayres

DEEWR

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13/10/08

Dear Mr Ayres,

Re: Starting Point Analysis

Community Child Care Co-op is a peak organisation for children's services in NSW, We are writing in response to your request for information regarding the qualitative and contextual aspects of the child care sector in NSW to assist in providing a better understanding, beyond current national data sources, of early childhood education in this jurisdiction. We hope that you pass this comment on to Boston Consulting Group (BCG) and the Australian Council of Educational Research (ACER) to inform their understanding of several crucial aspects of early childhood service delivery in NSW in their development of the *Starting Point Analysis*.

We believe it is vital that an alternative analysis of how children's services are currently provided in NSW is made in addition to that which will be provided by the NSW State Government. We feel that this is especially important for two key reasons:

1. The changing picture of preschool provision given by the NSW State Government to the Productivity Commission for its Annual Report on Government Services over the past four years. The picture being presented is changing, whereas the reality of low participation rates and high fees has not.
2. The unique requirement in NSW for the employment of a university qualified teacher in all services above 29 places. This requirement results in qualitatively different service provision, which unless implicitly explained can be overlooked.

University Qualified Teachers in all centre based services.

NSW requires all centre based early childhood services licensed for above 29 places to employ a degree qualified early childhood teacher. The information available in the 2006 child care census in table 4.3.1 does not adequately explain the reality of this provision. The table shows that of 1745 services, 874 run a preschool program. Currently there are a total of 3447 licensed services in NSW (This figure includes state funded preschools and family day care services. Of these only 1183 services are below the 29 place threshold. The remaining 2264 services do have a teacher. If the 105 FDC services are deducted from this total, we have 2159 services which have a teacher. Of these, approximately 700 would be community based preschools and 100 would be Department of Education based preschools. This leaves approximately 1350 services (the majority of which would be long day care services) which are required by regulation to employ a teacher. This is substantially higher than the figure suggested in the 2006 Census.

The requirement to have a teacher has been of such a long standing for NSW services, that it is possible that NSW services did not understand the intent of the question in the Census. NSW long day care services do not necessarily consider that they are running a “preschool program”. Because there are 850 dedicated preschools in NSW, the term preschool is usually reserved for sessionally based dedicated preschool centres, which means the phrase relates to a service model rather than program content. Some LDCs do term their offerings for 3 and 4 years olds as a “preschool program” (sometimes for the marketing advantages that this gives) but others do not term the program as such, because the notion of having a teacher in most early child development centres who therefore provides an educational program is a “given” within NSW.

This given has other implications for service delivery in NSW. Few long day care centres bus children to dedicated preschools or provide wrap around care to children attending preschools. In terms of the Commonwealth Government’s intended provision to allow for universal access 15 hour access, there are three clear service types in NSW that could deliver this service:

1. Long Day Care services licensed for 29+ places
2. Community based preschools licensed for 29+ places
3. Department of Education preschools

All these service types have successfully delivered preschool education as part of the children’s services sector for many years and it would be a pity, if because of the uniqueness of the NSW

situation compared with other jurisdictions, that the capacity of one part of the sector was overlooked or favoured over another.

Preschool Provision in NSW

Notwithstanding the above preschool provision, it is important to understand that NSW currently has the lowest preschool participation rate within Australia and that fees families pay for the preschool service model are substantially higher than in other states.

The NSW Department of Community Services (DoCS) has responsibility for the vast majority (around 850) dedicated preschools in NSW. There are also 100 preschools within the Department of Education - these preschools are attached to government school sites but recently have been licensed by DoCS. Significant differences exist between these two preschool programs. In DoCS funded preschools, parents must pay a fee on average of between \$30 and \$40 per day. In DET preschools, generally no fees are charged although some preschools have a voluntary contribution.

Our organisation estimates that currently 15–20 per cent of all children in NSW will not have access to a preschool education prior to school entry. The *Productivity Commission's Report on Government Services 2007* found that the real state expenditure on children's services per child aged under 12 years in the 2006 financial year was only \$112.57 in NSW, compared to \$152.80 per child in Victoria and a massive \$266.49 per child in Queensland.

Low state government funding means that preschools have to charge high fees. The Report also found that the median fee for children attending a preschool in NSW was \$40 per day compared to less than \$10 per day for all other states except Victoria, where median fees were \$15 per day. The report also show that NSW has the lowest rates of attendance in Australia.

As you would be aware, preschool education is a state responsibility. It was handed to the states by the Commonwealth during the last decade. The 2004 Independent Inquiry into the Provision of Universal Access to High Quality Preschool Education found that since this time, significant differences in state government funding levels and models has left children with unequal access to preschool education across Australia. Whereas most other state governments have accepted that the funding of high quality preschool services is a state responsibility and have provided adequate funding to ensure universal, affordable access to preschool for their children, the New South Wales Government has not done so in a way that has resulted in consistent affordable preschool access.

In mid-2005, the NSW Children's Services Forum, developed and distributed a survey to all community-based preschools in NSW. This report, *There's a hole in the bucket*, details the findings from the survey. This survey is currently being redone. The NSW Children's Services Forum represents community-based peak and state-wide children's services organisations in New South Wales.

The 2005 survey showed that:

- 25% of respondents were running deficit budgets
- Average fees had increased in metropolitan areas by 26% over two years (to \$29.98 per day)
- Average fees had increased by 22% in rural areas (now \$21.13 per day)
- 70% of preschools had been forced to make a number of changes that compromised the quality of the service. These included:
 - cutting down on early childhood trained teachers (10% of services);
 - cuts to training and professional development opportunities (30 % of services);
 - skimping on equipment (55% of services)
 - reducing their overall staffing (19%)
- 41% of respondents received less than 35% of the cost of running the preschool from NSW State Government funding.
- Only 12 (2.6%) preschools said that children attended on average for five days a week. 56.8% indicated average attendance of two days a week.

For more information on this survey see: <http://www.ccccnsw.org.au/pdf/holeinthebucket.pdf>

See also the *National preschool education inquiry report 'For all our children'* at <http://www.ccccnsw.org.au/pdf/NPSIreport.pdf>.

Base levels of funding to services in NSW were frozen in 1989/90 and while there have been some one off grants to some services since that time, this was essentially where these services remained until 2006, when the NSW Government announced the Preschool Investment and Reform Plan (PIRP). Only small amounts of this money have been released to services to date. \$21 million per annum of this money has now been allocated 'to give preschool opportunities to an extra 10,500 children in their year prior to school'.

The reality has always been that this money is not enough to ensure that children in NSW have the same degree of access to preschools in NSW at a similar cost as children in other states. In some states preschool costs less than \$10 per day and up to 95% of children have access. NSW preschools are forced to charge higher fees than other states and NSW has lower preschool participation rates than other states.

Faced with political backlash around the low participation rates it appears as if the NSW Government has been slowly changing the configuration and method of calculating the figures over the last few years. In the last few annual Productivity Commission's *Report on Government Services* a changing picture has been created. At first the NSW Government argued that the NSW figures were down because they didn't add in children getting a preschool education in long day care services, it was then argued it was because of the omitted Department of Education preschoolers, then it was because of the omitted children getting a preschool at private schools and finally the report now states that 85% of children in NSW do get a preschool education. The NSW Government have now gone on the public record, saying that after the injection of the remaining Preschool Investment and Reform money, the figure will be 95%.

A recent Background Note prepared by the Australian Parliamentary Library quotes the NSW Department of Community Services as saying the average fee in NSW preschools as \$24.76 per day reducing to \$16.83 per day with fee relief. They also stated in this forum that 85 % of NSW get a preschool education.

<http://www.aph.gov.au/library/pubs/bn/2007-08/PreschoolEdAustralia.htm>

Our research and information presents a very different reality. Community based preschools in NSW are still struggling to survive. Families in NSW pay significantly more for preschool education than other states do. Less children attend preschool in NSW in any other state. The money allocated under the Preschool Investment and Reform Plan is not and never was going to be enough to change this situation. We estimate that up to 20% of dedicated Preschools may close by 2013.

For this reason we believe that it is possible that data the NSW Government may provide for the *Starting Point Analysis* may not be without interpretive bias, and would request that the detail of the calculations is included in any analysis on differences between states.

We hope that this short summary has provided some insight into aspects of early childhood service delivery in NSW.