

ACCS Trends in Community Children's Services Survey 2017

Fourth Wave National Report



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Abbreviations

ACCS	Australian Community Children's Services
ACECQA	Australian Children's Education and Care Quality Authority
ASQA	Australian Skills Quality Authority
BBF	Budget-based funding
CCB	Child Care Benefit
CCCF	Community Child Care Fund
CCR	Child Care Rebate
CCS	Child Care Subsidy
CPI	Consumer price index
ECEC	Early childhood education and care
ECT	Early childhood teacher
MACS	Multi-functional Aboriginal children's service
NFP	Not for profit
NQF	National Quality Framework
NQS	National Quality Standard
OOSH	Out of school hours
OSHC	Outside school hours care
PSC	Professional Support Coordinator
QUT	Queensland University of Technology
RTO	Registered Training Organisation
TICCSS	Trends in Community Children's Services Survey
VET	Vocational education and training

Executive summary

Background

Since the introduction of the National Quality Framework (NQF), Australian Community Children's Services (ACCS) has conducted four waves of a national survey – Trends in Community Children's Services (TICCSS) - designed to track how community children's services have engaged with and implemented the NQF. ACCS recognises that research is vital to track the implementation of these reforms, as the experiences for the community children's services sector is often very different to their commercial counterparts. Research driven by the community sector on the community sector provides unique data on successes and challenges and provides evidence for policymakers.

Evidence from the fourth wave of the Trends in Community Children's Services Survey (TICCSS), demonstrates that community children's services continue to lead the way in:

- ✓ providing quality education and care services for children and families
- ✓ demonstrating a commitment to continuous quality improvement
- ✓ providing wages and conditions above award
- ✓ demonstrating strong support for the National Quality Framework

The Survey

The survey was distributed nationally between August and October 2017, with over 50% of the 466 survey respondents indicating that they were managed by a stand-alone committee, association or cooperative.

The Findings

The survey found that community children's services are delivering some of the highest quality services in Australia:

Over half (52%) of the respondents had received an Exceeding rating and over one-third (37%) were Meeting the NQS. It is pleasing to note that the most recent Australian Children's Education and Care Quality Authority (ACECQA) Snapshot for Quarter 3, 2017 shows that Not For Profit (NFP) centre-based services, including government and school providers, comprise 71% of those services that were rated Exceeding¹.

The TICCSS survey found that not only is there strong support for the NQF but that the implementation process is having a positive impact on continuous quality improvement in community children's services, with 72.8% of respondents indicating that their most recent assessment and ratings process had a positive or extremely positive impact on quality improvement in their service.

The 2017 data also reveals that the focus of service improvement has shifted, with more services indicating that one of the positives of the implementation of the NQF is that their service is working

¹ http://files.acecqa.gov.au/files/Reports/2017/NQF_Snapshot_Q3.pdf, accessed 13 December 2017

more closely with the wider community. In 2017, the highlights services most frequently identified as being in their top three included:

- educators are more interested and engaged in programming and planning
- services are working more closely with the wider community
- educators regularly engage in reflective practice and
- improved learning outcomes for children.

At the same time, familiarity with the National Quality Standard (NQS) seems to have reduced the perceived issues experienced by services as a result of the introduction of the NQS. Over time respondents' perceptions relating to insufficient paid time to complete tasks as an issue has decreased from 60% in 2012, to 33% in 2017; and perceptions relating to increased paperwork to meet legal obligations and government regulations has decreased from 84% in 2012, to 32% in 2017.

The TICCSS research also shows that community children's services are prioritising structural elements of quality by providing higher than prescribed ratios of children to educators, employing educators with higher than prescribed qualifications, and demonstrating a commitment to educators by providing pay and conditions that are above the minimum requirements.

Over 40% of respondents who provided education and care for children between birth and two years were operating with higher than prescribed ratios, and almost 60% of respondents providing education and care services for children between three and five years were operating with higher than prescribed ratios.

In the 2017 survey, more educators hold diploma or four-year degree level qualifications than in previous survey waves – the most dramatic increase being seen in the number of educators who hold a four-year degree.

Community children's services are also demonstrating continued and increasing commitment to educators, with three-quarters of respondents indicating they had conditions and/or pay above the relevant children's services award. Children and families are also experiencing improved continuity of educators in community children's services, with almost 38% of educators in respondents' services having worked in the service for over six years.

Trends in Community Children's Services Survey



TICCSS results

Over 50% from stand-alone services

Over 50% of the 466 survey respondents were from standalone committees, associations or cooperatives

89% Meeting or Exceeding NQS

Over half (52%) of respondents had received an Exceeding rating and just over a third (37%) were Meeting the NQS

A&R process had a positive impact on quality improvement

72.8% of respondents reported that their most recent assessment and ratings process had a positive or extremely positive impact on quality improvement in their service

Services are working more closely with the community

The number of services indicating that one of the highlights of implementing the NQF was that their service is working more closely with the wider community has almost doubled since 2014

Over 40% operating at 1:3 or better (0–2yrs)

Over 40% of respondents who provided education and care for children between birth and two years were operating with higher than the minimum prescribed ratio of educators to children

3/4 reported better conditions and/or pay

Three-quarters of respondents indicated they had conditions and/or pay above the relevant children's services award

Almost 60% operating at better than 1:10 ratios (3–5yrs)

Almost 60% of respondents who provided education and care for children between three and five years were operating with higher than the minimum prescribed ratio of educator to children

Increased Qualifications

In the 2017 survey, more educators hold diploma or four-year degree level qualifications than in previous survey waves; the most dramatic increase is in the number of educators who hold a four-year degree

Familiarity with the NQS has resulted in a lessening of the perceived burden on time and paperwork

33% of respondents indicated that insufficient paid time to complete tasks was a top three issue, compared with 60% in 2014 and only 32% of services see the increase in paperwork to meet legal obligations as a top three issue compared with 84% in 2012

37.6% of respondents had a employee retention rate of 6 years or more

Children and families are experiencing improved continuity of educators in community children's services with almost 38% of educators in respondent services having been employed in the service for over six years

Introduction

The fourth wave of the Australian Community Children's Services (ACCS) Trends in Community Children's Services Survey (TICCSS) provides a snapshot of how education and care services, and particularly not for profit services, have responded to the significant changes under the National Quality Framework (NQF) that commenced on 1 January 2012.

About the National Quality Framework

In 2009, the Council of Australian Governments released a national Early Childhood Development Strategy – *Investing in the Early Years*. This Strategy has an ambitious objective that “by 2020 all children have the best start in life to create a better future for themselves, and for the nation”². This objective is underpinned by key outcomes focusing on young children's developmental pathways, participation by parents in their children's early learning, and the provision of services that support workforce participation of families³.

According to the Strategy, young children's optimal developmental pathways should include that:

- children are born and remain healthy
- children's environments are nurturing, culturally appropriate and safe
- children have the knowledge and skills for life and learning
- children benefit from better social inclusion and reduced disadvantage
- children are engaged in and benefiting from educational opportunities

Educational opportunities were to be delivered, in part, through high-quality education and care services that were integrated, responsive, interdisciplinary, child aware, inclusive and accessible, and providing universal and targeted services as needed.

National Quality Framework

The high quality early childhood education and care (ECEC) outcome of the Early Childhood Development Strategy was actioned through the *National Partnership on the National Quality Agenda for Early Childhood Education and Care*, endorsed by all state/territory and Australian governments. The National Quality Agenda included a NQF, which commenced on 1 January 2012, and is being delivered through an integrated and unified national system whose purpose is “to improve educational and developmental outcomes for children attending services provided under the National Law”⁴. These services include ECEC and outside school hours care (OSHC) services. The NQF regulatory framework includes:

- *Education and Care Services National Law Act 2010* as the overarching legislation
- the *Education and Care Services National Regulations 2011* as the underpinning regulatory framework
- the *National Quality Standard for Early Childhood Education and Care and School Age Care* (NQS) that sets national benchmarks for the quality of ECEC children receive while attending a children's service

² *Investing in the Early Years – A National Early Childhood Development Strategy*, (2009), p. 13.

³ *ibid*, p. 13.

⁴ National Partnership on the National Quality Agenda for Early Childhood Education and Care – 2015–16 to 2017–18, p. 2.

- two national curriculum frameworks that articulate pedagogy and intentional teaching as key underpinnings of the NQS – *Belonging, Being & Becoming: The Early Years Learning Framework for Australia* for children aged from birth to five years and *My Time, Our Place: Framework for School Age Care in Australia* for primary school-age children attending OSHC services. Some states/territories also retained existing curriculum frameworks
- an assessment and quality ratings process

The NQS is monitored by the Australian Children's Education and Care Quality Authority (ACECQA), an independent national authority whose role includes promoting a nationally consistent application of the relevant law and regulation. Table 1 provides a summary of the education and care quality reforms.

Table 1. Key changes since the commencement of the National Quality Framework

2012	NQF commences 1:4 educator to child ratio for children aged from birth to less than two years
2013	Every child to have access to 15 hours/week of preschool delivered by a qualified early childhood teacher in the year before school
2014	All long day care and preschool services to employ a qualified early childhood teacher 50% of educators to have, or to be working towards, a Diploma-level or higher qualification All other educators to have, or to be working towards, a Certificate III qualification (or equivalent)
2016	1:11 educator to child ratio for children aged 3–5 years 1:6 educator to child ratio for children aged 2–3 years
2017	1:15 educator to child ratio for primary school-aged children; New South Wales will apply this ratio from Oct 2018 Mandated family day care coordinator to educator ratios – 1:15 for the first 12 months of a new provider and 1:25 thereafter
2018	Implementation of revised NQS, reducing the number of standards from 18 to 15 and number of elements from 58 to 40 To be rated Exceeding in a Quality Area all standards need to be rated as Exceeding the NQS Services can only apply for an Excellent rating if all Quality Areas are rated at Exceeding
2020	All long day care and preschool services with 60 or more children to employ a second early childhood teacher or another suitably qualified leader

Recent sector changes

The current TICCSS survey includes some new questions that reflect recent and imminent changes impacting on the education and care sector, these are discussed below.

A new Child Care Package

The Child Care Package will commence on 2 July 2018. It will provide for one Child Care Subsidy (CCS) for families, replacing the current Child Care Benefit (CCB) and Child Care Rebate (CCR). The amount of CCS a family may be eligible for will depend on total annual family income, amount of work or

related activity per fortnight and type of education and care service used. The CCS is capped to an hourly rate by service type. These caps are for:

- long day care – \$11.77/hour
- family day care – \$10.97/hour and
- before, after and vacation care at \$10.29/hour⁵

The income thresholds for CCS eligibility are more generous than the previous CCB. Where one child is accessing an education and care service, the current annual family income threshold for CCB eligibility is \$156,914; the new CCS threshold will be \$351,248. Families earning above \$186,958 will have their CCS capped at a maximum of \$10,000 per year. At the lower end, the income threshold for families that meet the work activity test and are eligible to receive the maximum subsidy will increase from \$45,114 to \$66,958 per annum.

CCS eligibility will be based on a three-step work activity test, which will provide for up to 100 hours of CCS per fortnight. The activity test will include paid and self-employed work, unpaid work in a family business, looking for work, volunteering or studying. A single parent or the person who works the least hours per fortnight in a family needs to be engaged in at least eight hours per fortnight of approved activities to receive CCS. There will be exemptions to the activity test for parents who legitimately cannot meet the requirements.

A key change under CCS will impact low-income families earning less than \$66,958 who do not meet the work activity test. These families currently can receive up to 48 hours/fortnight of subsidised care. Under CCS, these families will only be eligible to receive 24 hours/fortnight of subsidised care.

National Disability Insurance Scheme

The National Disability Insurance Scheme (NDIS) is rolling out to families who have children with a disability throughout Australia. In practice, this may mean that a child who is the recipient of an NDIS package may have some of their programs/therapies provided or delivered in education and care settings by a variety of health professionals. How and when these programs/therapies are incorporated into an education and care program is at the discretion of a service director/coordinator. The NDIS has developed a specific Early Childhood Early Intervention approach to support families to access early childhood intervention. These interventions are being provided through NDIS Early Childhood Partners⁶.

NQS changes

After the NQS was reviewed, changes were implemented starting from 1 October 2017 in all states and territories except Western Australia. It is anticipated that Western Australia will commence the revised NQS once appropriate state legislation has been passed. See Table 1 for these changes.

Why do a survey?

ACCS supported and continues to support the National Quality Agenda, which aims to improve the quality of education and care services throughout Australia. ACCS recognises that research is vital to track the implementation of these reforms, ensuring the experiences of services are recognised, providing identification of the positive outcomes of these changes as well as any challenges that

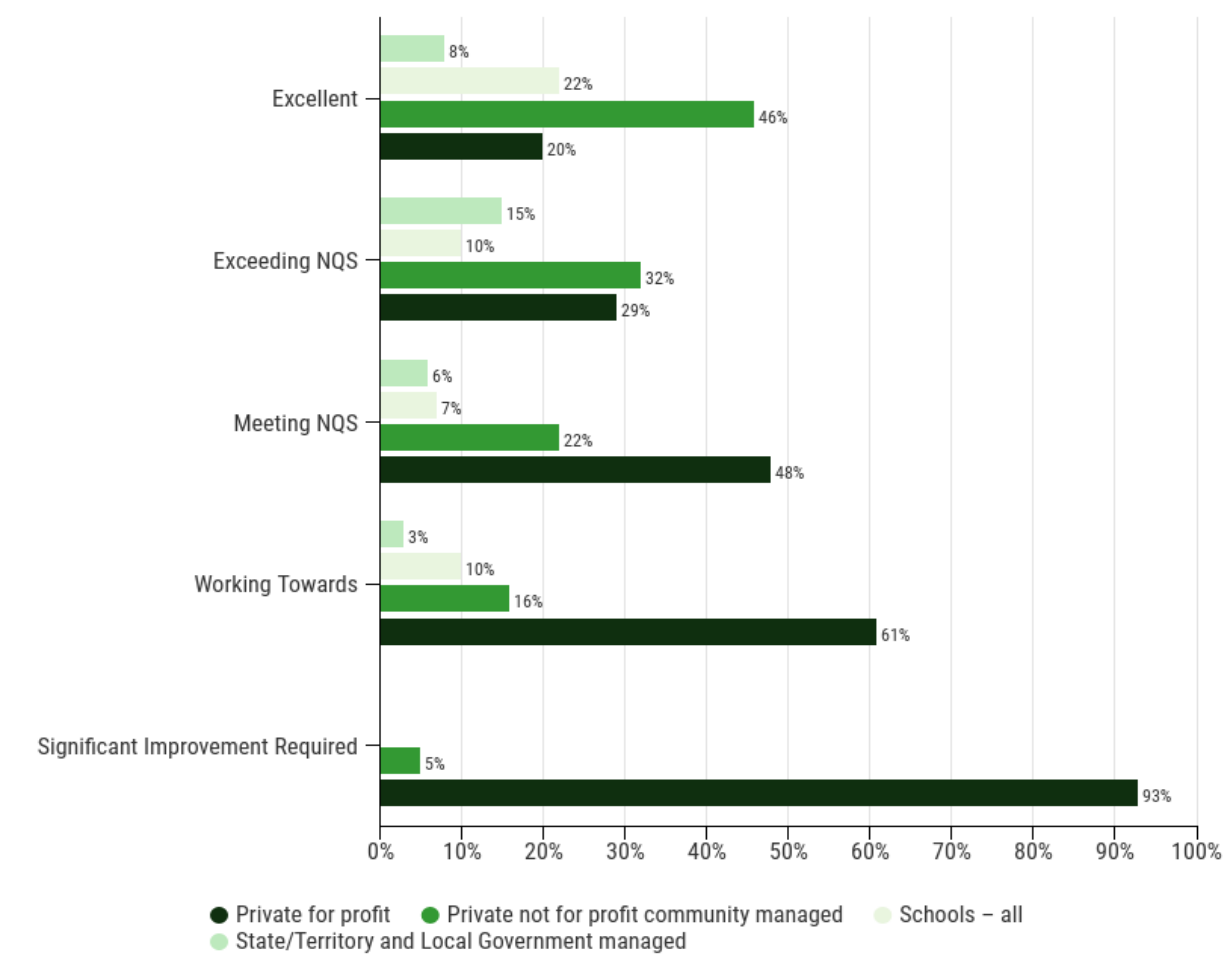
⁵ Rates correct as of 2 July 2018

⁶ <https://ndis.gov.au/about-us/locations.html>, accessed 7 Feb 2018.

require policy attention. ACCS is acutely aware of the limited sources for information on the experiences of education and care services and, in particular, of NFP services.

ACCS knows that the experiences of the NFP sector are often very different to their commercial counterparts, and believes these NFP voices should be heard. For example, the most recent ACECQA NQS Snapshot data shows that NFP education and care services lead the way in quality (see Figure 1) with proportionally more services rated as Excellent or Exceeding NQS when compared with private for-profit services.


Figure 1. NQS ratings Quarter 3 2017 by management type



Source: ACECQA NQF Online Snapshot Q3 2017, <https://www.acecqa.gov.au/nqf/snapshots>, accessed 7 Feb 2018. Please see the footnote for management type definitions⁷.

⁷ *Private not for profit – community managed* includes services that are managed by organisations through a membership made up of community members No profit is distributed to the management committee or the members, any surplus funds are redirected to the service. *Private not for profit – other organisation* include services that are managed by non-profit organisation such as charity organisations *Private for profit* includes for-profit services provided or managed by a company or private individual. <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/EDCEFD2FC57CD225CA257C93000D13A7?opendocument>, accessed 27 February 2018.

Given the formative changes happening in our sector, this data gap is resulting in a lack of understanding of how the NFP sector is responding to the reforms. Research driven by the NFP sector on the NFP sector can provide different data on successes and challenges, and shine a light on the experiences of these services around Australia.



NFP education and care services lead the way in quality with more services rated as Excellent or Exceeding NQS compared to private for profit services

Survey methodology

Each wave of TICCSSL has been made available through the Survey Monkey platform. Distribution utilised a snowball technique to gather the sample through the ACCS membership base and informal networks and contacts. Email invitations to participate in the survey are circulated through members and contacts requesting them to forward the survey to their networks. Additionally, invitations and information about the survey were distributed to organisations through other organisations newsletters and emails, including Randstad Education.

TICCSSL: Addressing a gap in knowledge

ACCS advocates for the right of Australia's children to access quality, not-for-profit, community-owned children's services. As the peak body for NFP, community-owned children's services, ACCS recognised gaps in knowledge and, with the initial TICCSSL in May 2012, commenced an ambitious research agenda to track the experiences of NFP education and care services in Australia. TICCSSL is monitoring the experiences of education and care services across Australia over a period of significant transformation. The research is longitudinal, tracking implementation over years, recognising that real change does take time. This research sheds light on:

- educator to child ratios
- utilisation
- waiting lists
- fees, including increases
- experiences in implementing the NQF
- existing and emerging vulnerabilities in communities and
- experiences with regard to recruiting and retaining staff

Conducted in May/June 2012, the first wave of TICCSSL attracted responses from 640 services around Australia. Recognising the significance of the first year of the reforms, the second wave was conducted in October/November 2012 and captured the experiences of 506 services including the development of Quality Improvement Plans, appointment of educational leaders and the commencement of assessments. The third survey was conducted in 2014 and 871 people responded. This survey was post implementation of mandatory minimum qualifications and ratio changes relating to children aged two to three years. The 2017 survey had 466 responses. Concurrent with the 2017 survey were three other industry surveys. It is possible that the lower number of responses to TICCSSL reflects survey fatigue and competing time demands on respondents regarding which surveys to respond to and relevance to the organisation.

The 2017 survey has ethics approval (number 1700000692) from the Queensland University of Technology (QUT) Human Research Ethics Committee. Ethics approval was sought with a view to maximising the use of the data being collected to inform policy and practice.

Responses in all TICCSS waves were as varied as the education and care sector, representing all states and territories; a range of service sizes, from small to very large; a range of metropolitan, regional and remote areas in Australia; and from small stand-alone community-based services to large NFP providers. The respondents deliver a range of services to meet the needs of Australian families including long day care, before and after school care, kindergarten/preschool, family day care, vacation care, in-home care, multi-functional Aboriginal children's services, occasional care and mobile service for rural and remote families. Please note, for ease of reading, statistics presented in the text of this report have been rounded to the nearest whole number, while the figures and tables are presented with a decimal point.

TICCSS is designed to be explorative. The findings, and this report, are intended to be indicative of what is happening in the sector and not representative. ACCS believes it provides vital information to track changes in the sector as government policy brings about the transformation to ensure consistently high quality education and care.

We also anticipate that TICCSS may assist in identifying areas where more extensive research could be conducted.

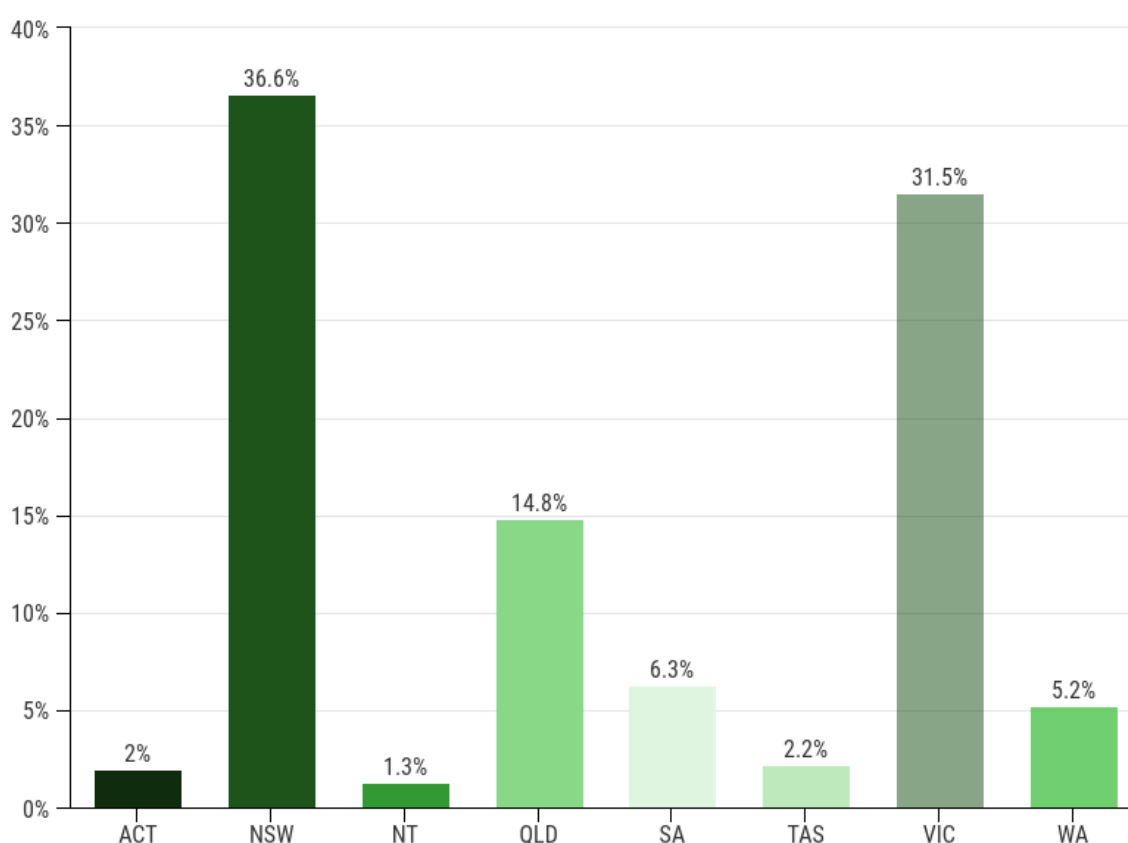
Respondent demographics

This section of the report documents service demographics of respondents. Where relevant, data from previous surveys have been included. 466 individual survey responses were received in the 2017 wave.

Location of respondents

TICCSS respondents came from every state and territory in Australia, with the largest group of respondents from New South Wales (37%) and Victoria (32%). This broadly reflects the most recent sector profile provided by ACECQA, aside from Queensland (15% of TICCSS respondents but comprises 19% of the education and care sector), and Western Australia, (5% of TICCSS respondents but comprises 8% of the sector)⁸. Figure 2 shows the state or territory location of current respondents.

Figure 2. **State/Territory location of respondents in 2017**

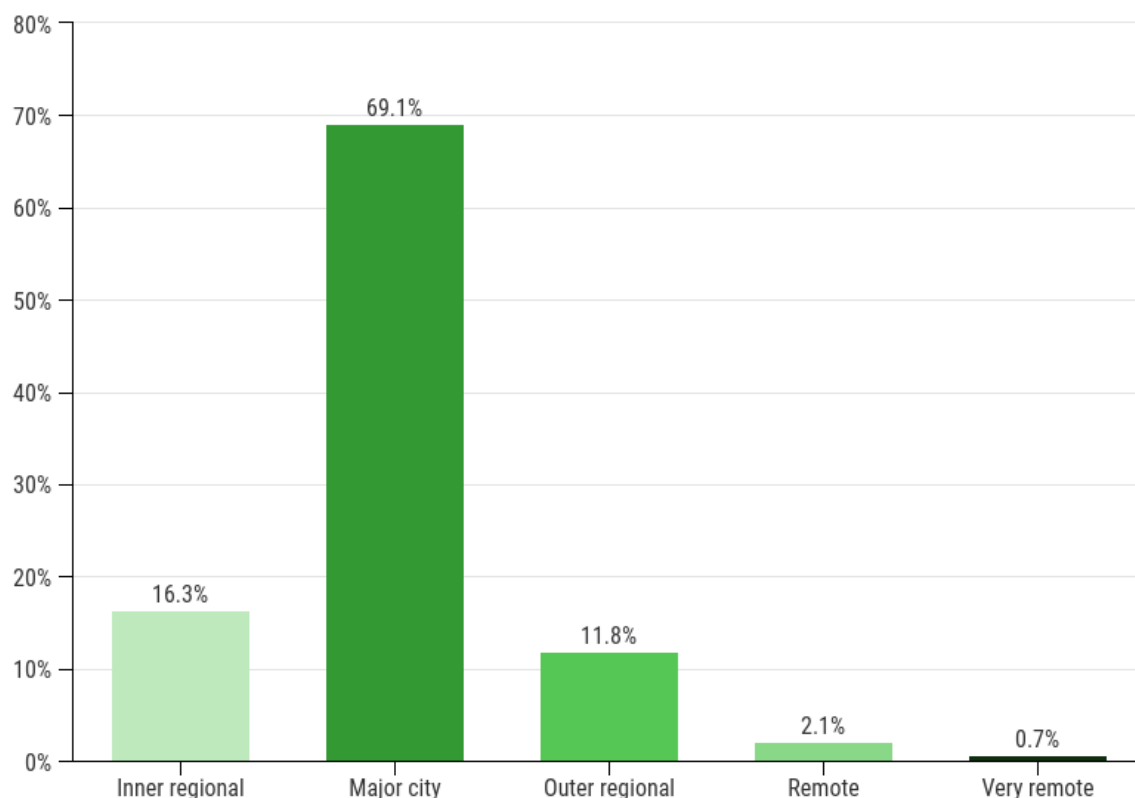


See also Appendices *Figure 31 State territory location of respondents across four waves of TICCSS*

Over 80% of respondents were located in major cities or inner regional areas, followed by outer regional, remote and very remote locations. Figure 3 shows the geographic location of respondents.

⁸ Australian Children's Education and Care Quality Authority (2017), *National Partnership Annual Performance Report*, ACECQA, Sydney, p. 5.

Figure 3. **Geographic location of respondents**

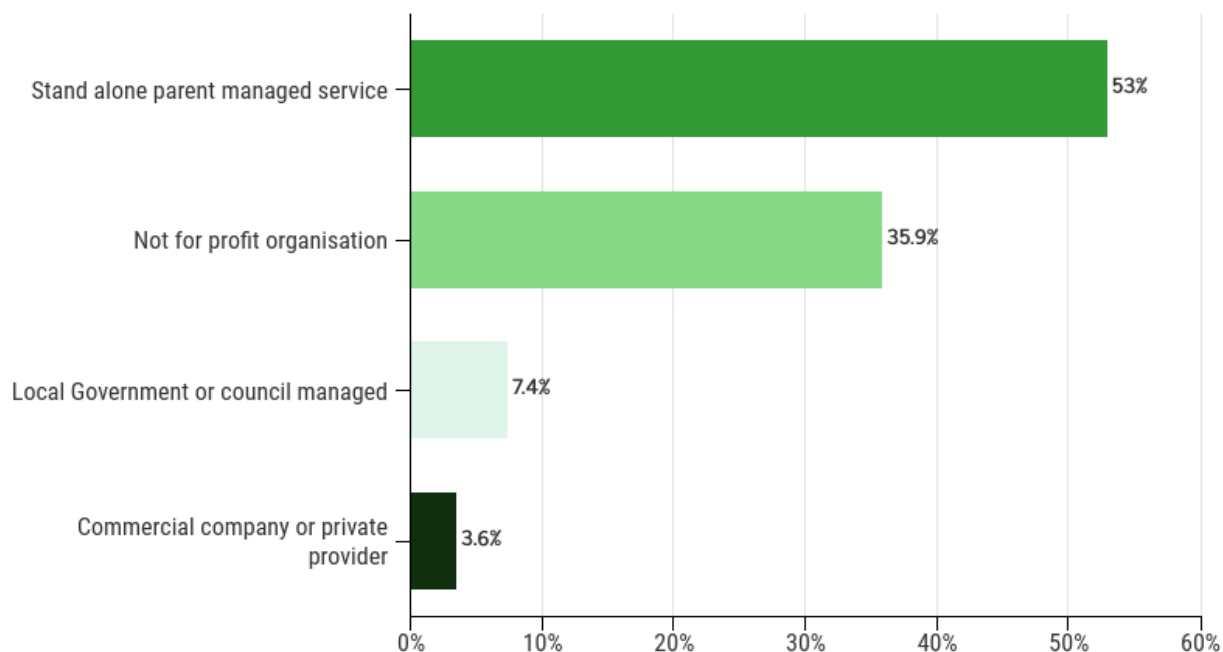


The respondents' services

Governance model

Just over half (53%) of the respondents' services were managed by a stand-alone committee, association or cooperative, and just over a third (36%) by a not-for-profit organisation (See Figure 4).

Figure 4. **Children's services governance model 2017**

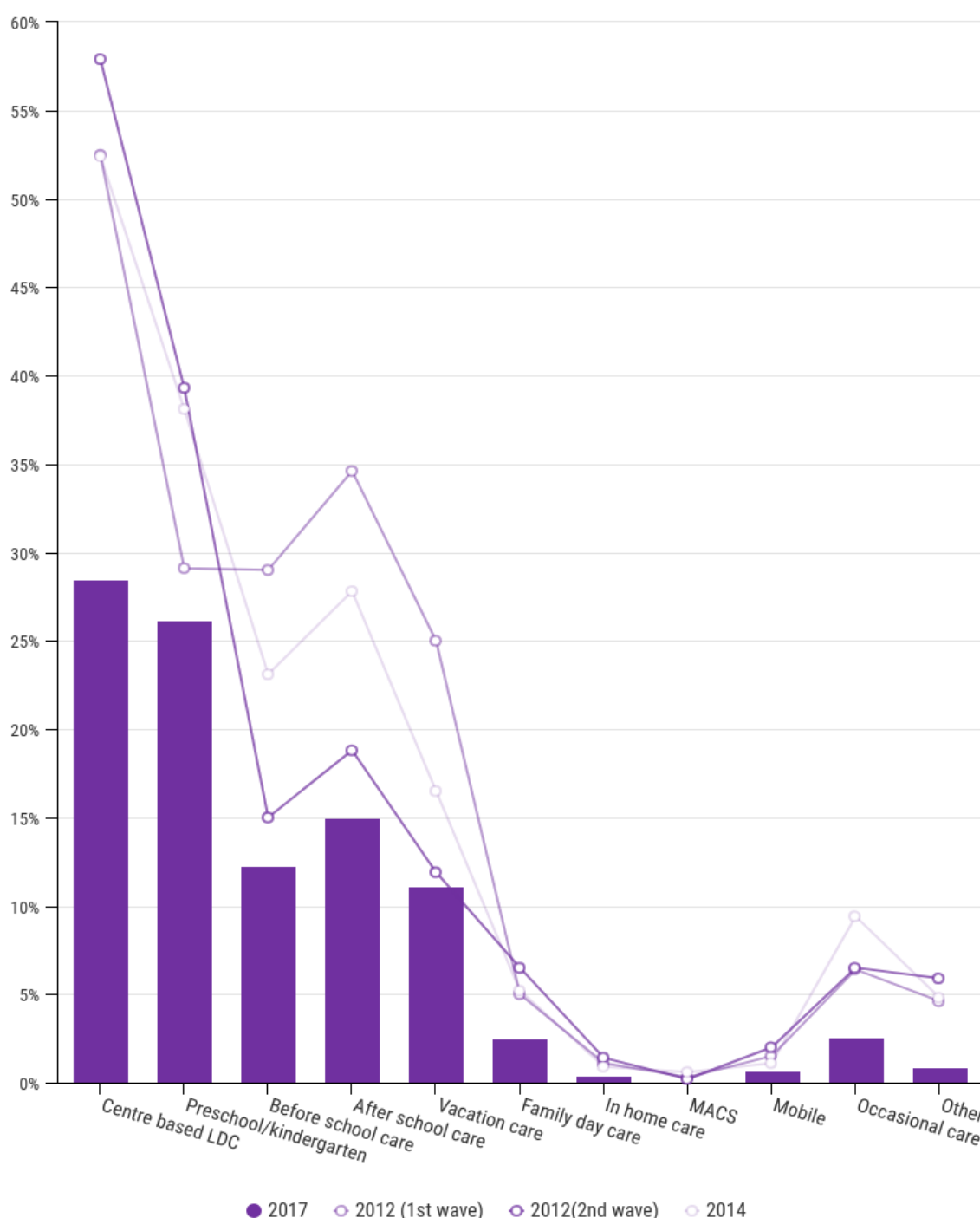


See also Appendices *Figure 32 Children's services governance model across all four waves of TICCSS*

Service type

Service respondents provided a wide range of children's services types including all those covered by the National Law and Regulation as well as out of scope services such as in-home, occasional care, and mobile services. In each survey wave, centre-based long day care has comprised the largest group of service type respondents although the proportion of long day care respondents has declined over time. In 2012, over 50% of respondents provided long day care while in 2017 this service type was represented by almost a third of respondents (29%). In 2017, one-quarter of respondents (26%) provided preschool/kindergarten including just under half of all long day care centre respondents (45%) who also provided preschool/kindergarten. Figure 5 shows the range of children's services types provided by respondents across each survey wave.

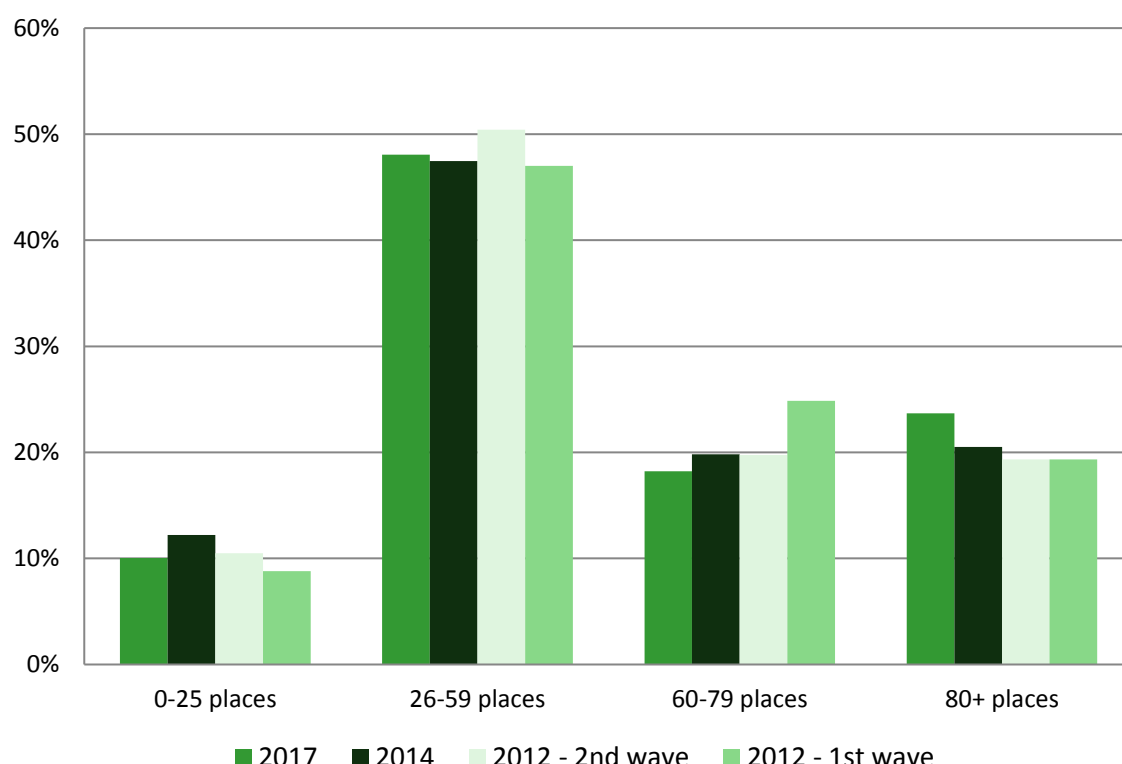
Figure 5. Service types provided



Number of approved child places

Almost half (48%) of services were approved to provide 26 to 59 child places, followed by 80+ child places (24%). Figure 6 shows the proportion of child places by service size.

Figure 6. Proportion of approved child places across all waves



The proportion of approved child places has remained fairly consistent across all four waves of TICSS.

Number of children

The 446 service respondents provided 28,473 places for children aged from birth to primary school age, with almost half of these (48%) being for children aged from three to five years (before attending primary school). Just over a quarter of total places provided (29%) were for children of primary school age.

Of the 20,233 places provided for children aged from birth to five years (and not at school), 18% were for children aged from birth to two years. This is the same proportion of places for this age group as in the 2014 survey.

Just over half (53%) of respondents with 26–59 approved places provided centre-based long day care, and 50% of these centre-based long day care services had waiting lists.

Across all age groups, families spend longer times on waiting lists in services with 59 or fewer places than for those with 60+ places.

Utilisation and waiting lists

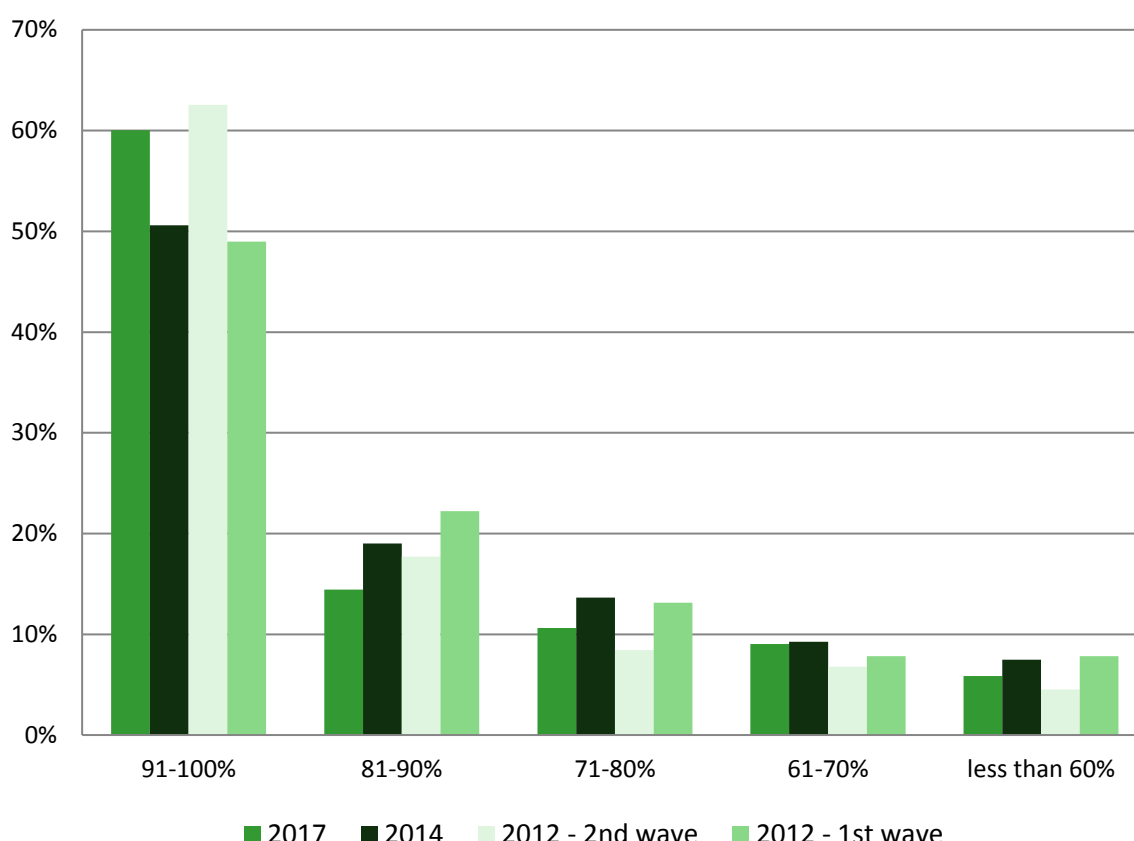
Respondents were asked to consider their service utilisation and waiting lists. These are indicators of demand from families wanting to access services.

This section of the report asked respondents to comment on numbers of children on waiting lists by age, how long families are on waiting lists, along with average weekly utilisation.

Average utilisation

Almost two-thirds (60%) of services were operating at full or close to full capacity. Figure 7 shows the average weekly utilisation of respondents.

Figure 7. **Average weekly utilisation**



There are variations across survey waves for services operating at full or close to full capacity. All TICCSS surveys were conducted in quarters two or three of the calendar year to minimise attendance fluctuations that occur at the beginning and end of each calendar year.

65% of centre-based long day care services and 75% of preschool/kindergartens were operating at full or close to full capacity. In contrast, just over 20% of before school, after school and vacation care services were operating at full or close to full capacity. Table 2 shows the average weekly utilisation by service type.

The remoteness of respondent location also impacted on levels of utilisation. One-third of services operating in remote and very remote locations had utilisation from 91% to 100%. Most remote and very remote services had utilisation rates varying from 71% to 90%. This figure was 52% in inner regional locations, 65% in major cities and 52% in outer regional locations. It would be expected that

utilisation rates would be lower for services located in remote and very remote areas with smaller population numbers located over large geographic areas.

Table 2. Service type by average weekly utilisation

PERCENTAGE UTILISATION	<60%	61–70%	71–80%	81–90%	91–100%
Centre-based long day care	3%	6.1%	9.6%	16.1%	65.2%
Preschool/kindergarten	1.9%	7.1%	5.2%	10.4%	75.5%
Before school care	11.1%	19.2%	19.2%	26.3%	24.2%
After school care	16.5%	19%	18.2%	24%	22.3%
Vacation care	14.6%	13.5%	21.3%	24.7%	25.8%

Waiting lists

In 2017, almost three-quarters of respondents (70%) had waiting lists for 19,261 children aged from birth to 12 years, compared with 66% of services in 2014. Of all children on waiting lists, 42% are aged from birth to less than two years, 26% aged two to three years and 29% aged three to five years.

The length of time on waiting lists by age has not varied much across all waves of TICCSS. Waiting times for places for children aged from birth to two years continue to be around one to two years (see Figure 8), for children aged two to three years from six to 12 months (see Figure 9), and for children aged three to five years from three to 12 months (see Figure 10).

Respondents' comments supported this.

There are significant waiting periods for families of children aged under two years, as these are the smallest rooms in our service

New South Wales survey respondents commented that New South Wales Government Start Strong funding has helped reduce daily fees for parents with children attending preschool/kindergarten and this has resulted in increased utilisation and some services experiencing waiting lists for older children.

Our waiting list of four-year-olds has grown greatly in recent years

Due to the Start Strong funding and our significantly reduced fees We seem to have a large wait list compared with previous years

By the time some of these babies and toddlers obtain a child care place they may no longer be in the youngest age category. So who gets these vacancies? Many ECEC services have policies that prioritise siblings of children already attending a service for any new vacancies; perhaps vacancies for babies are often taken up by families that already have an older child attending the service. Because of this, families may feel pressure to go on multiple waiting lists long before their babies are born.

Respondents also commented that waiting lists were not an accurate indicator of current demand as families go on multiple waiting lists, go on lists for care sometime in the future, or may be waiting for specific days in care.

Waiting lists can vary depending on whether the families need immediate care, or [care] in the future when they return to work from maternity leave, for example

some families [are] waiting [for] the days they need even though other days are available so [it is] difficult to be accurate

Waiting time was also dependent on the time of year families wanted to commence.

Most of our new places become available in the new year of any year. Once children have “settled in”, there may not be any vacancies to offer families from the waiting list until the following new year

Some respondents had shorter waiting lists due to increased market competition.

With new services being approved around the area, we have seen our waitlist drop

Numbers on waiting lists are decreasing due to a number of large centres in our locality

Around 80% of long day care (84%) and preschool/kindergarten (79%) services had waiting lists. Of those long day care and preschool/kindergarten services that had waiting lists, most were located in inner regional and major city areas (87% and 86% respectively). This is in contrast to OSHC services where 46% of before school care, 42% of after school care and 50% of vacation care services had waiting lists. Of those OSHC services that had waiting lists, most were located in inner regional and major city areas (76% before school care, 75% after school care and 69% vacation care).

The following figures show the waiting times by age groups.

Figure 8. Average waiting list time – children aged from birth to two years



Figure 9. Average waiting list time – children aged from two to three years

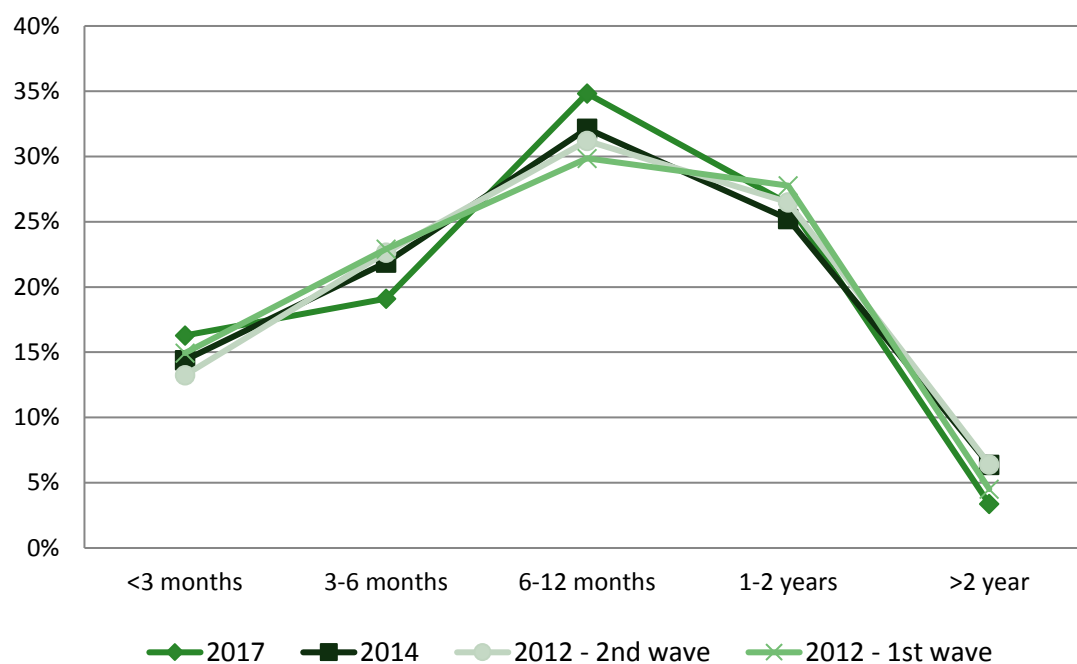
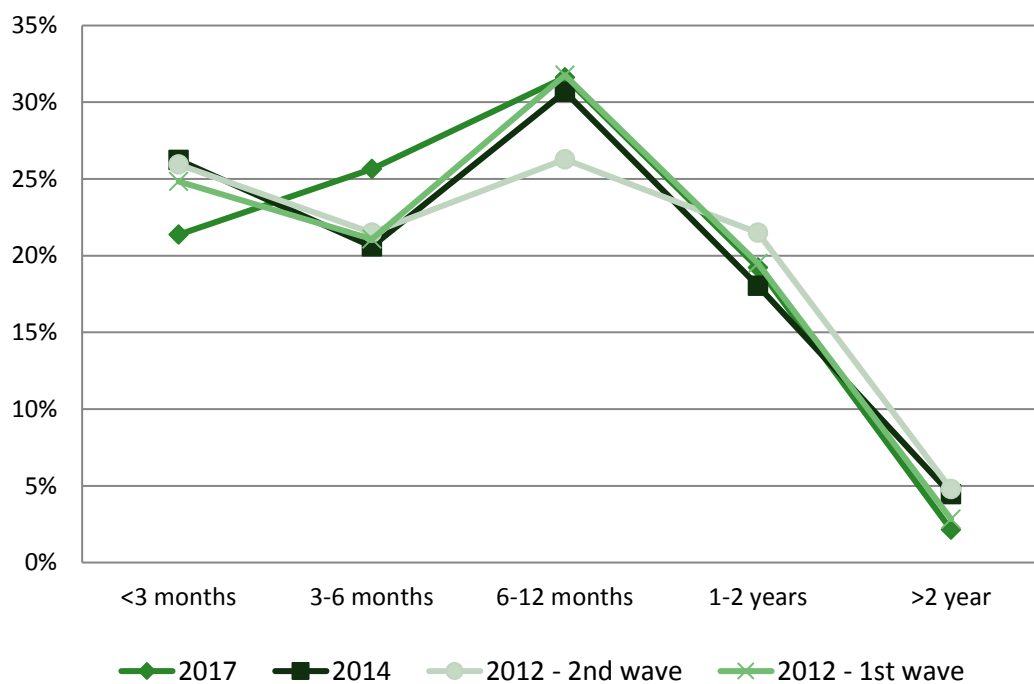


Figure 10. Average waiting list time – children aged from three to five years



Ratios

Educator to child ratios is one of the key structural components of quality in education and care services. Improved ratios linked with higher staff qualifications and smaller group sizes are associated with better child outcomes⁹.

The current education and care reforms have included improving ratios by increasing the number of educators to children over a ten-year period. The latest ratio changes occurred in January 2016 and October 2017. These changes were for children aged:

- two years to less than three years – 1:5 in all states/territories except Victoria where a 1:4 ratio applies for children aged from birth to less than three years
- three years to five years – 1:11 and 1:10 in New South Wales, Tasmania, South Australia (except most preschools) and Western Australia
- primary school children 1:15 except New South Wales who will implement this ratio from Oct 2018

2017 TICCSS asked respondents about their current operating ratios for different age groups.

Children aged from birth to 18 months/less than two years

Current prescribed ratios for children aged from birth to less than two years is one educator for every four children, fifty-nine per cent of respondents operate with the prescribed ratios (see Figure 11). The remaining respondents have ratios that are better than that prescribed – 29% had a ratio of 1:3 and 12% had a ratio better than 1:3.

Children aged 18 months/two to three years

The current prescribed ratios for children aged from 18 months/two to three years is one educator for every five children, except Victoria, which prescribes one educator for every four children. 34% of respondents, excluding Victorian respondents, operate with the prescribed ratio of 1:5. Of those respondents that operated with a 1:4 ratio, 42% were Victorian respondents operating at the prescribed ratio for Victoria, with all remaining respondents operating at better than their prescribed ratios (See Figure 12). Seventeen per cent had a ratio better than 1:4.

Children aged three to five years

The current prescribed ratio for children aged from three to five years is one educator for every 11 children. Services in New South Wales, Tasmania, Western Australia and some specified services in South Australia operate with a 1:10 ratio. These better ratios predated the current ECEC law and regulation and were grandfathered as part of the legislative changes.

21% of respondents operate with the prescribed ratios. The remaining respondents have ratios that are better than that prescribed – 21% operating at 1:10 and 59% better than 1:10 (See Figure 13).

⁹ Centre for Community Child Health (2013), *Policy Brief: Assessing the quality of early childhood education care*, p. 2.

Figure 11. Current ratio for children aged from birth to 18 months/less than two years

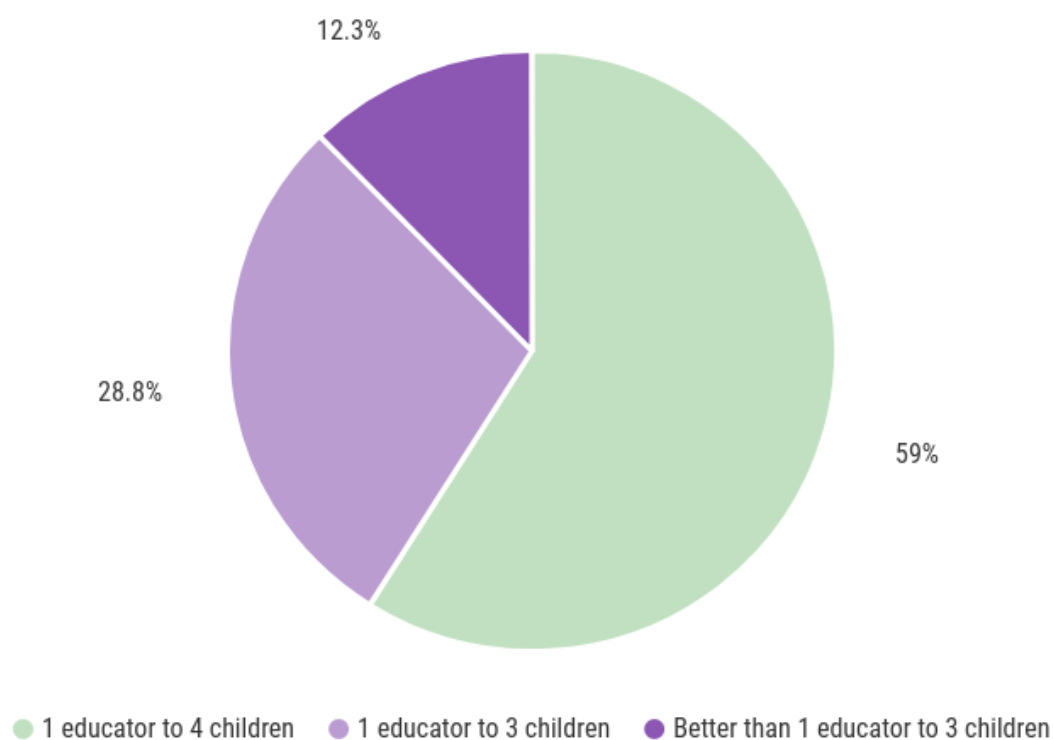


Figure 12. Current ratio for children aged 18 months to two to three years

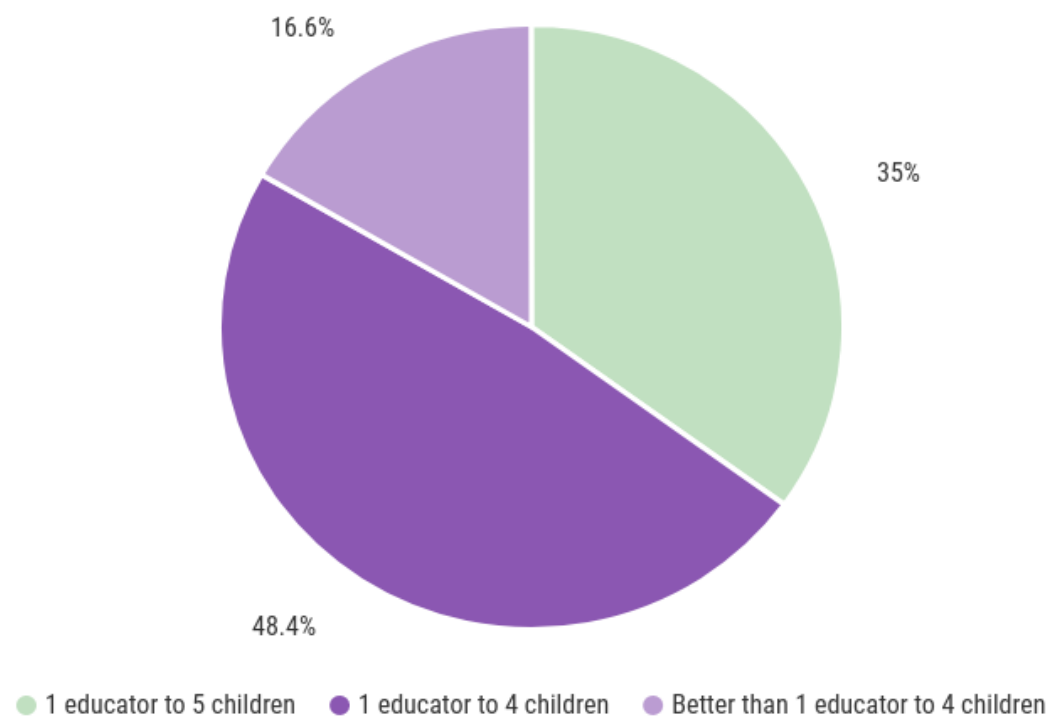
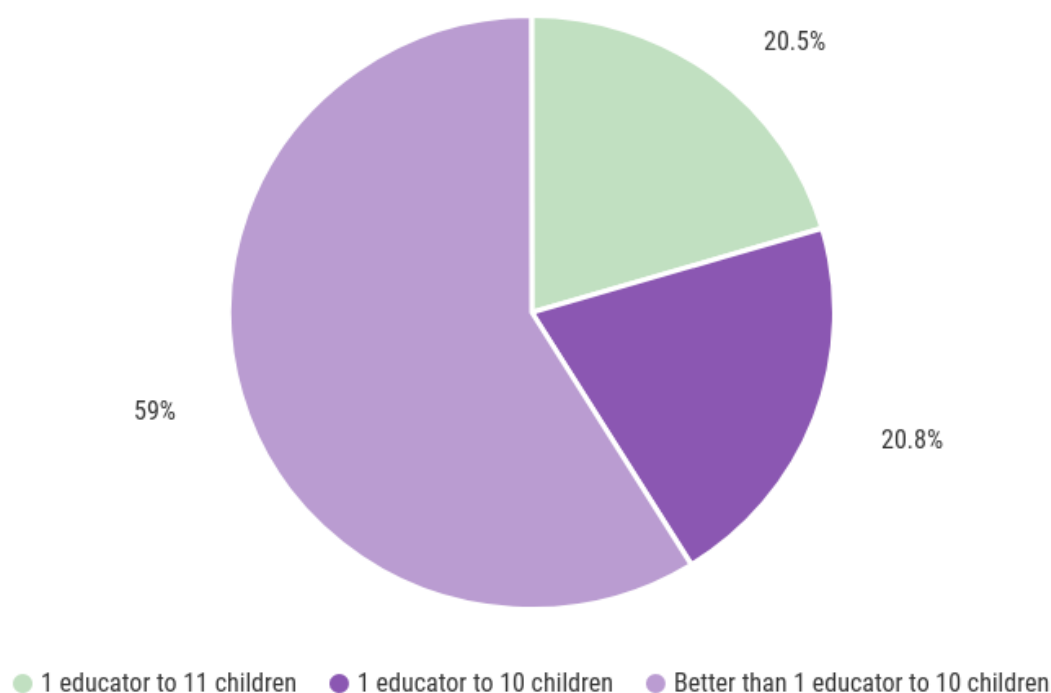


Figure 13. Current ratio for children aged three to five years



Primary school-aged children

The current prescribed ratio for primary school-age children varies from state to state. The current requirements are:

- 1:15 – Northern Territory, Queensland, South Australia, Tasmania, Victoria
- 1:15 – New South Wales from 1 October 2018. At the time of the survey there was no prescribed ratio for outside school hours services in New South Wales
- 1:13 – Western Australia
- 1:11 – Australian Capital Territory

Almost half (46%) of those services providing outside school hours care had a ratio of 1:15 (highlighted below). Only six services were operating with a ratio of one educator to more than 15 children. All other respondents had ratios better than 1:15 (highlighted below).

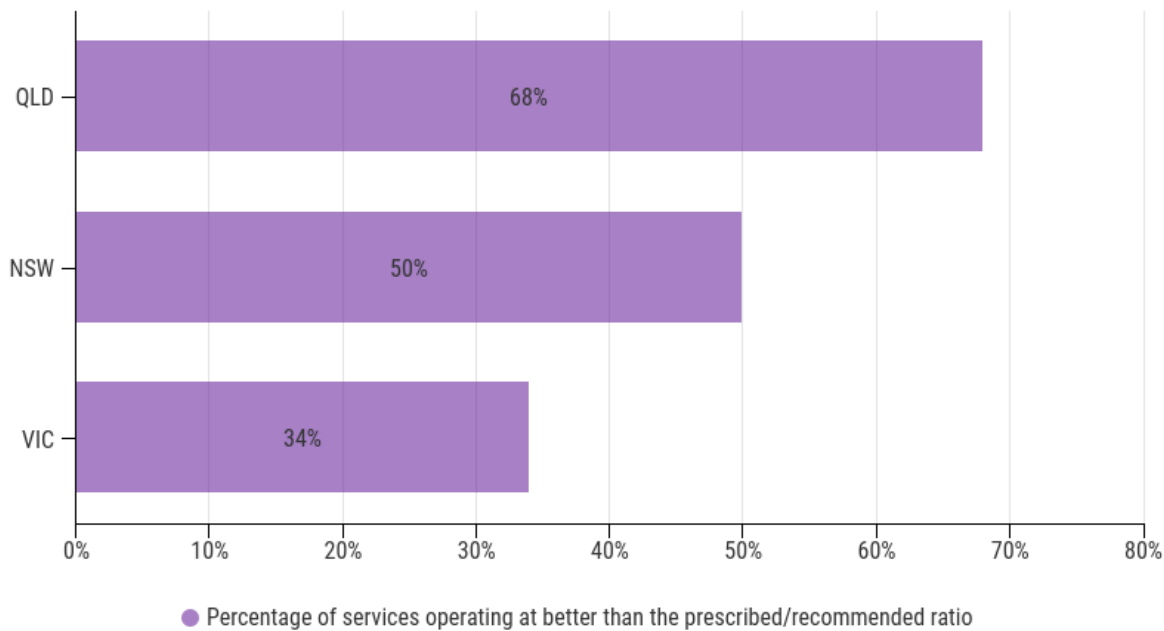
Table 3. Current ratio for primary school-aged children

RATIO	PERCENTAGE
1 educator to 15 children	45.5%
1 educator to 13 children	2.1%
1 educator to 12 children	4.1%
1 educator to 11 children	11%
1 educator to 10 children	14.5%
Better than 1 educator to 10 children	18.6%
More than 1 educator to 15 children*	4%

* At the time of the survey there was no prescribed ratio for outside school hours care services in New South Wales

Considering jurisdictional breakdowns for OSHC services, 68% of Queensland respondents were operating at better than the prescribed ratio, 50% of New South Wales respondents were operating at better than the recommended ratio, and 34% of Victorian respondents were operating better than the prescribed ratio (See Figure 14).

Figure 14. Services operating at better than prescribed/recommended ratios



Recruitment and retention of staff

One of the key elements contributing to improving education and care outcomes for children under the NQF was increasing the qualification levels of educators who work in children's services, as well strategies to increase the number of early and middle childhood educators available. This was to be achieved through mandating minimum qualification requirements along with strategies to enhance access to relevant early and middle childhood professional development.

All educators who work in ECEC services catering to children before they go to school must now have a minimum qualification of a Certificate III or be working towards this minimum qualification. Diploma and degree-qualified early childhood teachers (ECT) are also required, and the numbers of these educators are dependent on the age and number of children that attend a service. There are no prescribed national minimum qualifications for OSHC services, however, each state and territory does have qualifications that it deems suitable for work in OSHC.

The recent report *Lifting our Game: Report of the Review to Achieve Educational Excellence in Australian Schools through Early Childhood Interventions* has identified that quality of workforce is vital to improving ECEC outcomes. This report calls on Australian governments to agree to a new national ECEC workforce strategy to support the recruitment, retention, sustainability and enhanced professionalism of the workforce.

Current educator qualifications

Survey respondents were asked to identify the range of qualifications held by their current educators (See Table 4). Current qualifications varied from Certificate III to postgraduate diplomas or degrees. Of the 6,144 educators employed by respondents, 133 educators had no relevant early or middle childhood qualifications however 89 of those were working towards formal education and care qualifications. These qualifications included nineteen working towards a Certificate III and 37 working towards a Diploma. The following table shows the range of educator qualifications in services.

Table 4. Current qualifications of educators

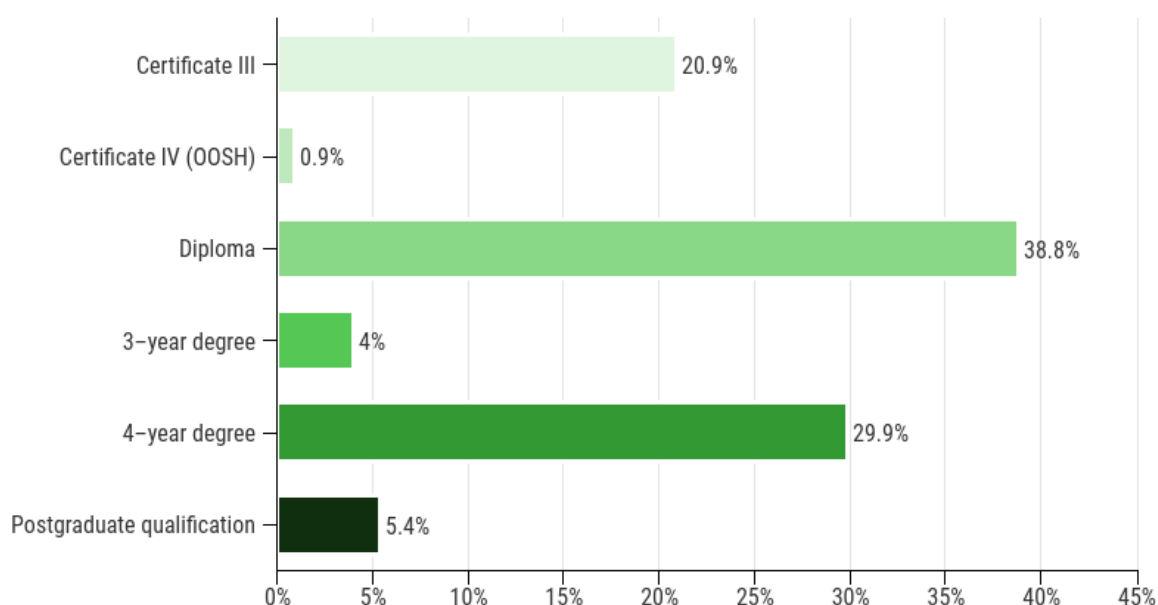
QUALIFICATION OF EDUCATORS BY PERCENTAGE	2012 (1 ST WAVE)	2012 (2 ND WAVE)	2014	2017
Have no qualification	12%	11.1%	7.4%	2.1%
Hold a certificate III	35.2%	36.6%	35.2%	29.1%
Hold a certificate IV (OSHC)	3%	2.3%	3.2%	1.1%
Hold a diploma	34%	34.8%	38.4%	38.8%
Hold a three-year degree	6.1%	6%	5.8%	5.7%
Hold a four-year degree	7.9%	7.7%	8.2%	19.3%
Hold a postgraduate qualification	1.7%	1.6%	1.8%	3.9%

Over time, educator qualifications have increased. Only 2% (highlighted in Table 4) of educators in 2017 have no education and care qualifications compared with 12% in 2012. More educators now hold diplomas (39%) or four-year early childhood degrees (19 %, highlighted in Table 4) compared with 2012 – 34% and 8% respectively. This reflects the intent of the Early Years Workforce Strategy and the NQF.

Over time, educator qualifications have increased. This reflects the intent of the Early Years Workforce Strategy and the National Quality Framework

Respondents were asked about educators who are working towards qualifications. Respondents employed a total of 6,144 educators and around 16% of those educators are currently working towards higher qualifications. Figure 15 shows the qualifications that educators are working towards.

Figure 15. **Qualifications that educators are working towards in 2017**



See also Appendices *Figure 33 Qualifications that educators are working towards across the four waves of TICCSS*

SkillsIQ¹⁰ estimates that the number of VET-qualified educators required to meet demand for work in child care will grow by 39,000¹¹ in the period 2015 to 2020. Research commissioned by the New

¹⁰ SkillsIQ is a national NFP organisation responsible for supporting Industry Reference Groups who are tasked with ensuring training packages reflect the skills needed for specific industries, including the education and care sector.

¹¹ SkillsIQ (2017), *Children's Education and Care Industry Reference Committee Industry Skills Forecast*, p. 21

South Wales Early Childhood Education Directorate estimates that service directors, educational leaders and ECTs comprise about 30% of the national ECEC workforce¹².

The Department of Employment (C'wlth) predicts that the education and training industry will be one of four industry groups projected to provide more than half of the employment growth over the next five-year period to May 2022. Part of this growth will comprise degree-qualified early childhood teachers. The Department estimates that in May 2017, there were 47,000 early childhood (pre-primary school) teachers with bachelor degrees or higher. By May 2022, this number will grow to 59,400 – a 26% growth in the number of early childhood teachers¹³.

Across all survey waves, more educators are working towards a Diploma than any other qualification. The proportion of educators working towards a Diploma or a Certificate III has declined over the last two survey waves. Notably, the proportion of educators working towards a four-year degree has increased over the last two survey waves, with a 10% increase from 2014 to 2017.

Initial findings from the National Workforce Study¹⁴ has identified that bachelor-qualified educators are the most likely to leave the sector once they have obtained their qualification. The initial findings show that educators working towards a bachelor qualification believe that they have increased employment opportunities offering better pay and conditions outside of long day care services. Some are opting to move to preschools and schools. There is a need for retention strategies that include consideration of enhanced parity in pay and conditions¹⁵.

Retention of educators

Just over half of the respondents (56%) employed educators who had worked at that service for six or more years; these educators comprised 38% of the total respondent workforce.

Survey respondents in 2017 seem to have a more stable educator workforce than those who responded in 2014. It is interesting to speculate whether the initial flurry of changes, particularly those related to minimum qualifications under the new National Law and Regulation, resulted in some educator turnover.

It would be useful to understand the age of educators with long tenure in future surveys. New South Wales research in 2013 by the Australian Centre of Excellence for Local Government – *Profile of the Local Government Workforce* – identified that the local government workforce was ageing and was comparatively older than other government and industry sectors. 37% of the local government workforce was aged 50 years or more compared with 27% of the Australian labour force. Local government employees working in child care were one of the occupations with the highest

¹² Early Childhood Education Directorate (2016), *Literature Review: Early Childhood Education Workforce issues in Australian and international contexts*, p. 4

¹³ <http://lmip.gov.au/default.aspx?LMIP/EmploymentProjections>, accessed 13 December 2017.

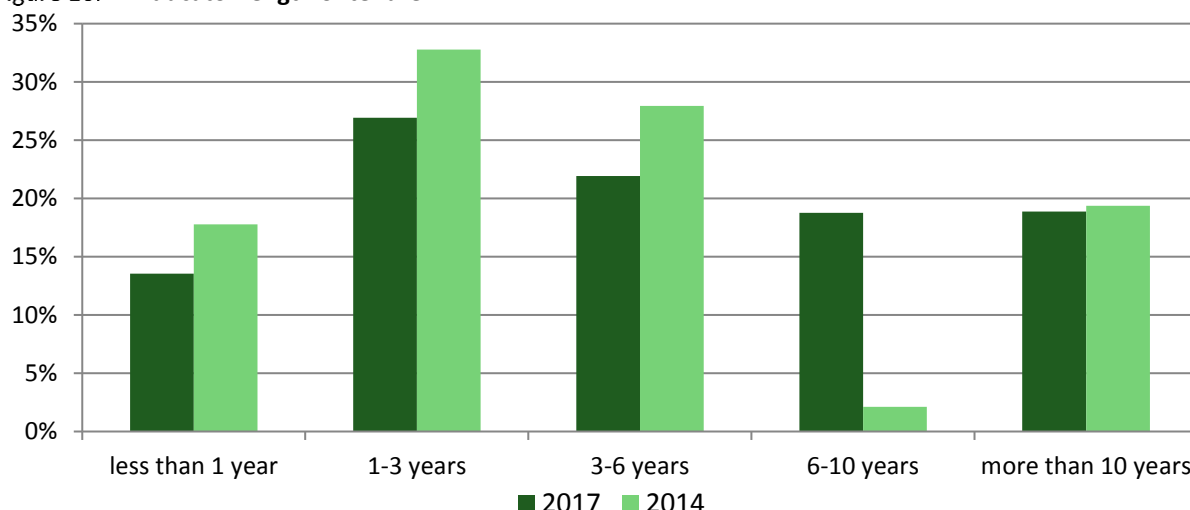
¹⁴ Irvine, S, Thorpe, K, McDonald, P, Lunn, J, & Sumsion, J (2016, May), *Money, Love and Identity: Initial findings from the National ECEC Workforce Study. Summary report from the national ECEC Workforce Development Policy Workshop*, Brisbane, Queensland: QUT.

¹⁵ Ibid.

proportion of employees aged 50 years or more.¹⁶ Is this just an issue for local government or the wider education and care environment?

Figure 16 shows the length of tenure of educators. This question was not asked in 2012, first or second waves.

Figure 16. **Educator length of tenure**



Degree-qualified early childhood teachers

The current ECEC regulatory framework requires degree-qualified ECTs to be employed for some or all of the time that a service operates. In some instances, a second teacher with approved qualifications may be required if the service has 40 or more children in attendance in New South Wales now, or 60 to 80 children in attendance in all other states and territories in 2020.

325 survey respondents employ at least 588 degree-qualified ECTs. Only 18% of respondents were planning to employ additional ECTs. In 2017, 30% of respondents employed staff who were working towards a four-year degree, yet less than 20% of respondents were planning to employ additional ECTs in the lead up to 2020. This may be because those who are studying towards a degree are planning to take these ECT roles by 2020.

Recruitment of educators

Most recent recruitment

Just over one-quarter of respondents (29%) had educator positions to be filled (See Figure 17). This is slightly more than in 2014 with 21%, but very much in line with the 2012 first and second waves with 28% and 27% of educator vacancies respectively.

Over the last four survey waves, there has been little variation in the proportion of vacancies by qualification as the following figure shows, aside from Diploma-qualified staff reducing from 43% in 2012 to 34% in 2017.

¹⁶ https://www.uts.edu.au/sites/default/files/ACELG_Workforce_Survey_Executive_Summary.pdf, accessed 11 December 2017, p. 3.

61% of survey respondents had undertaken a recruitment process in the last six months. This is similar to the second and third waves of TICCSS when 60% and 64% of respondents had recruited for educators in the past six months.

Just over one-third (36%) of the 2017 recruitments were for Diploma-qualified educators followed by Certificate III-qualified educators (31%) (See Figure 18). Over the last two survey waves, there has been little variation in the qualification levels sought in the most recent recruitment process as the following figure shows.

Figure 17. **Service employment vacancies**

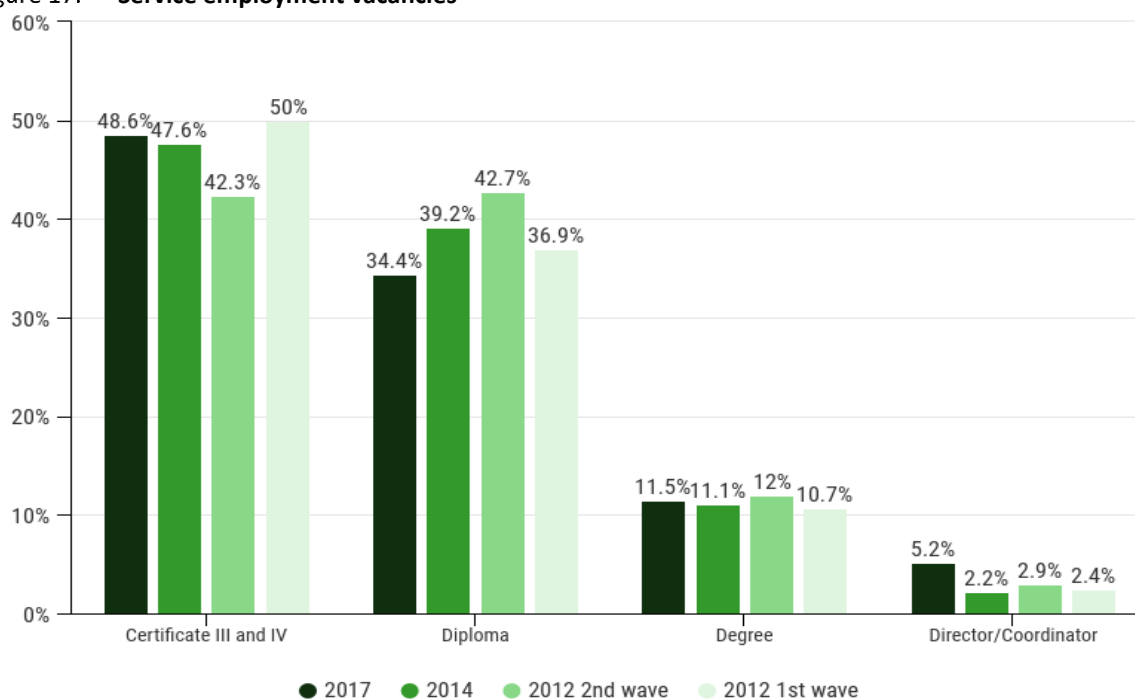
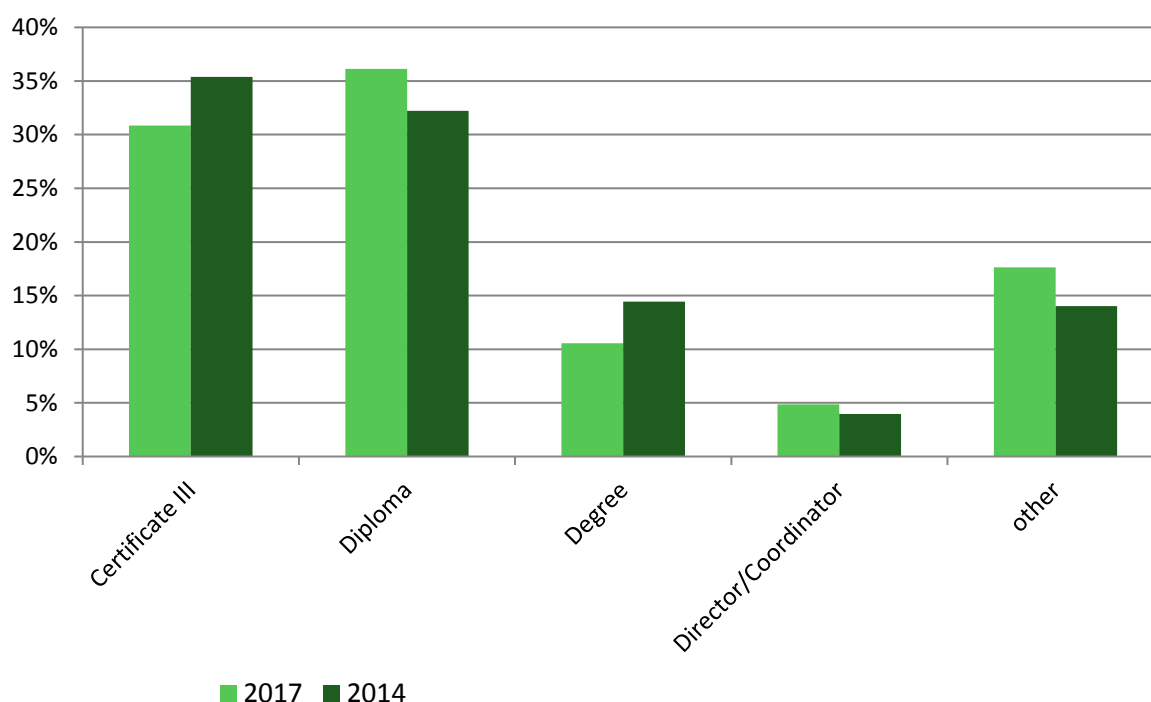


Figure 18. **Qualification of most recent recruit**



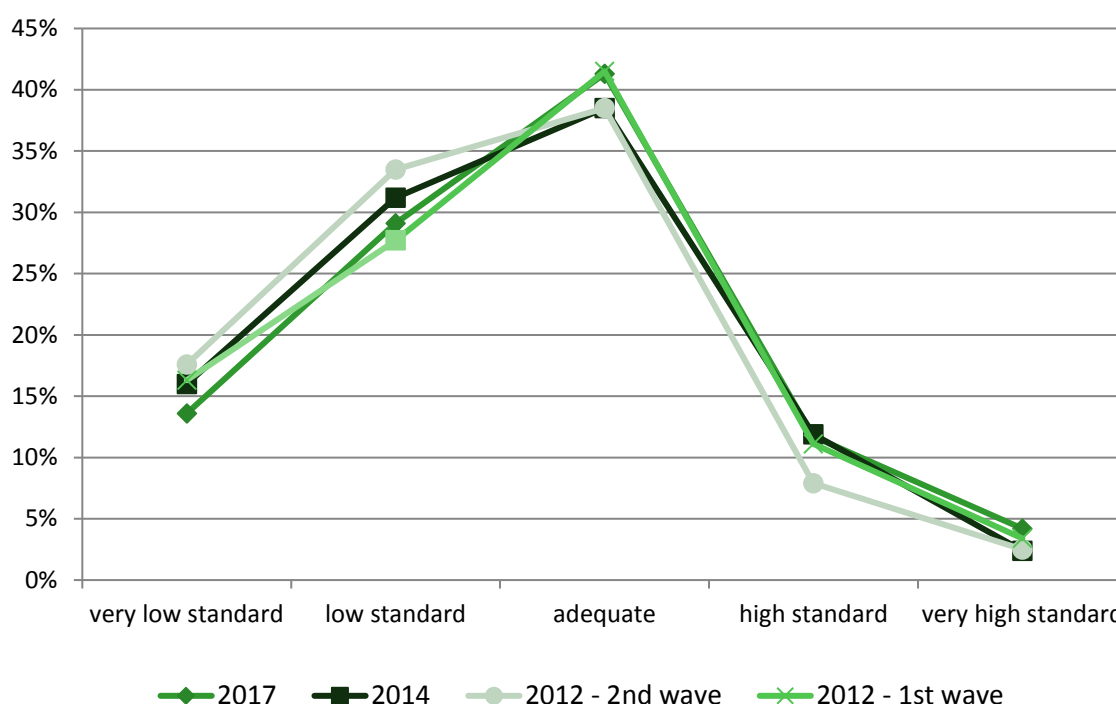
Standard of applicants

The field of applicants available

42% of survey respondents considered the field of applicants in their most recent recruitment process to be of a very low or low standard. Only 16% considered the field of applicants to be of a high or very high standard.

Figure 19 shows that the field of applicants has been a key consideration with consistent responses to this question over all of the survey waves, with just under half of all survey respondents saying the field of applicants were of very low or low standard over time.

Figure 19. **Standard of the field of applicants**

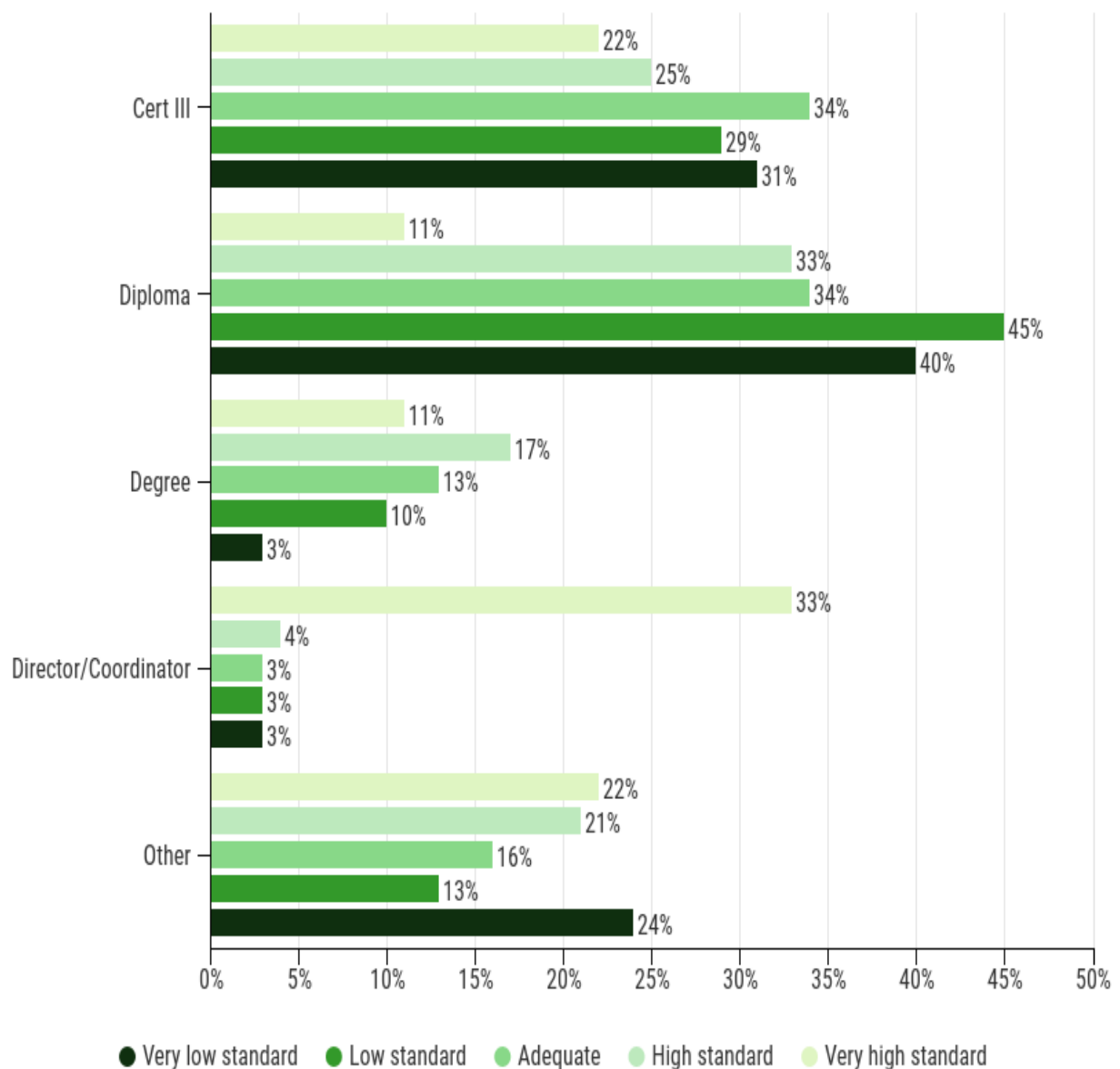


It will be interesting to see whether the current review of training products and unduly short courses being conducted by the Australian Government Department of Education and Training will impact on respondents' perceptions in relation to the standard of applicants in the future.

Respondents reported that the field of applicants with vocational education and training (VET) qualifications – Certificate III and Diploma – were of a lower standard than those with tertiary qualifications. 60% of respondents rated the Certificate III field as very low or low standard, and 85% of respondents rated the Diploma field the same; in contrast only 13% of the Degree field and 6% of the director/coordinator field were rated very low or low standard. Figure 20 shows these results.

It is important to note that VET is competency-based training, a competency is either met or not met and those training in the VET system are required to be competent.

Figure 20. Standard of the field of applicants by qualification in 2017



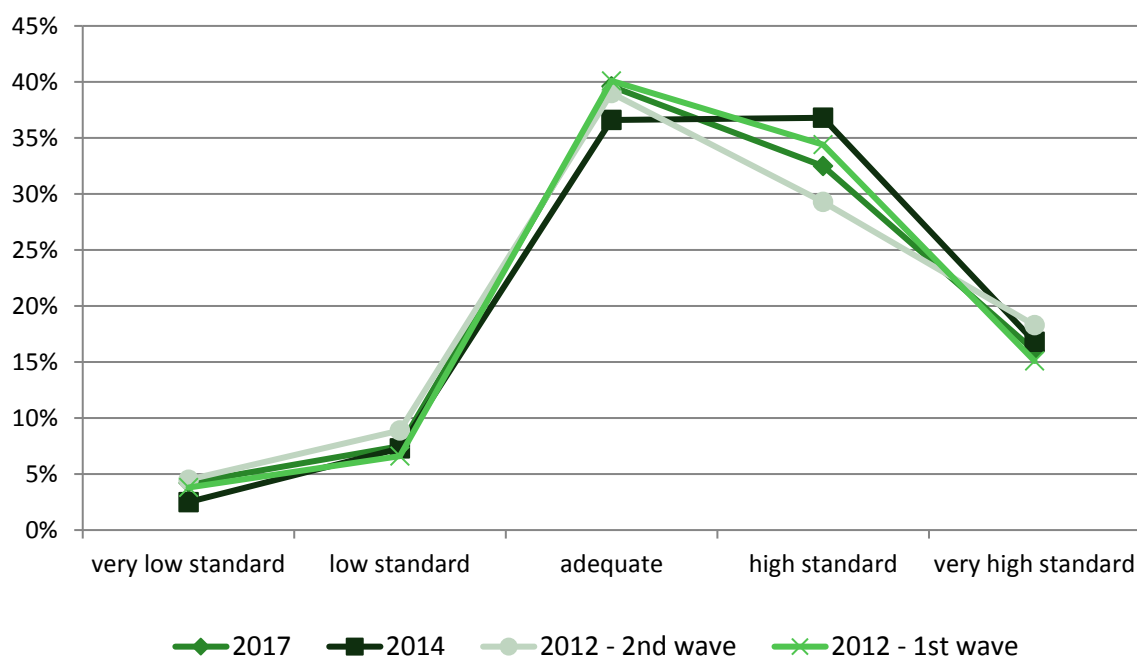
Suitability for the role

Just under half of the respondents (49%) considered the successful applicants in their most recent recruitment process to be of high or very high standard with regard to suitability for the role. Only 12% considered the successful applicants to be of very low or low standard in relation to suitability.

It is interesting to note that while 43% of respondents considered the field of applicants in their most recent recruitment process to be very low or low standard, 49% considered the successful applicant to be of high or very high suitability for the role. Is there a wide variation in the standards of applicants?

Figure 21 shows that there has been very little variation with regard to applicant suitability for the role over all of the survey waves.

Figure 21. **Standard of the successful applicant's suitability for the role**

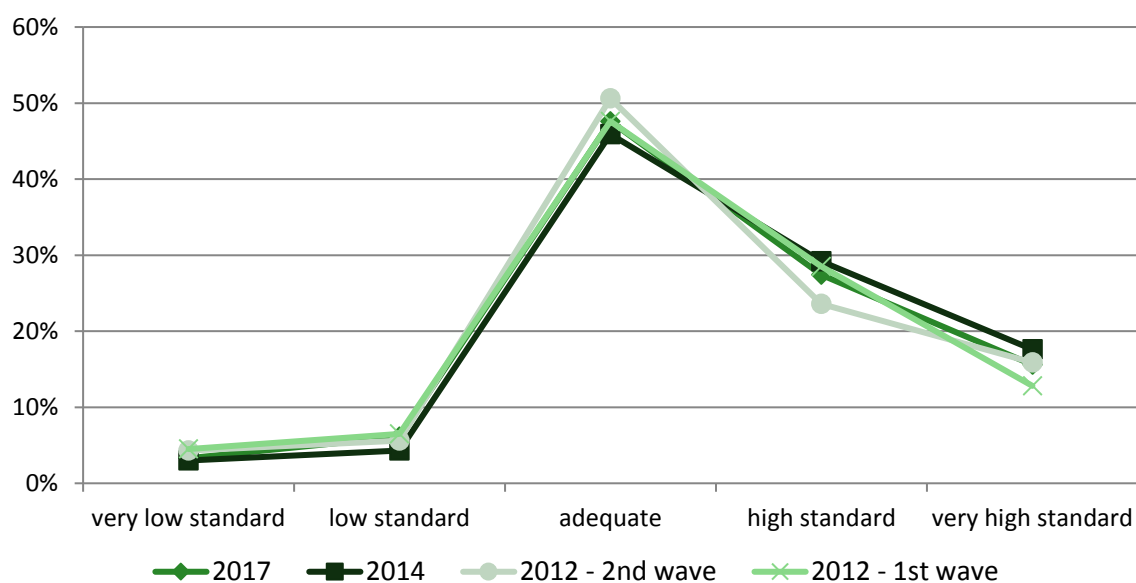


Appropriate qualifications for the role

Under half of the respondents (43%) considered the successful applicants in their most recent recruitment process to be of high or very high standard with regard to appropriateness of qualifications. Only 12% considered the applicants to be of very low or low standard in relation to appropriateness of qualifications.

Figure 22 shows that there has been very little variation with regard to the appropriateness of the successful applicant's qualifications in relation to the role over all survey waves.

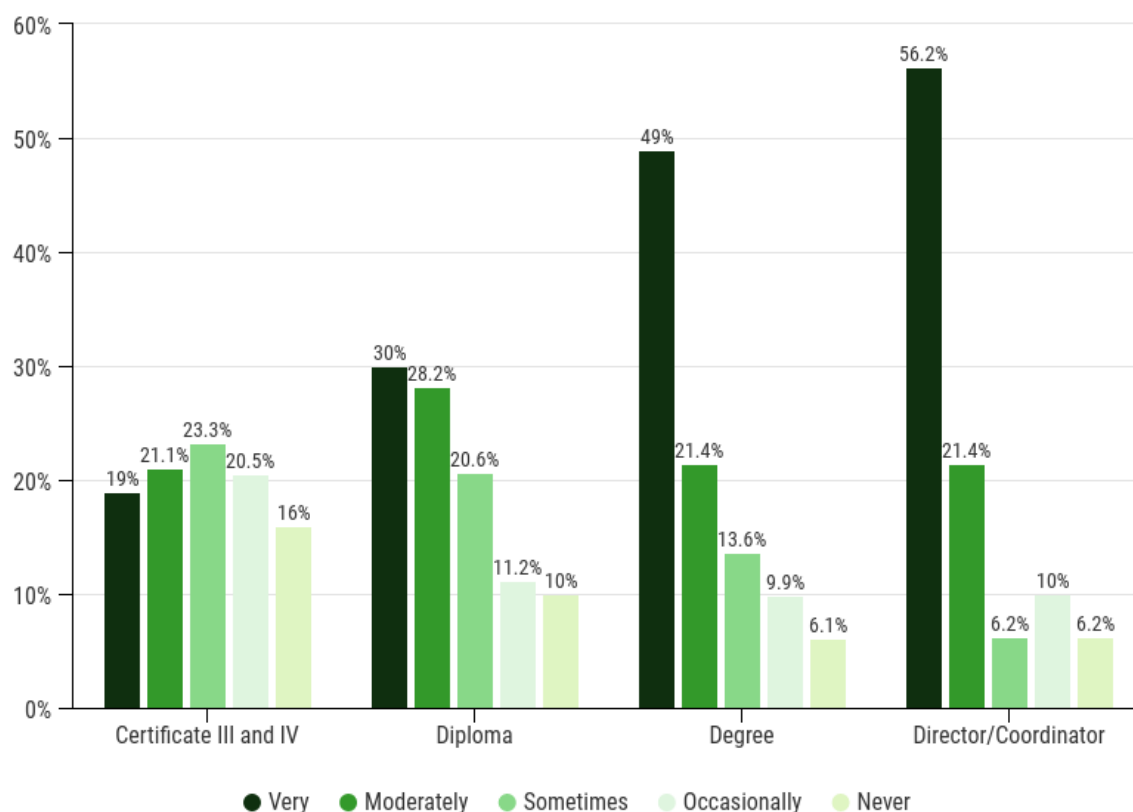
Figure 22. **Standard of the applicant's qualifications of the role**



Difficulty recruiting

In 2017, respondents had greater difficulty recruiting for higher qualifications or the more senior positions. Fifty-six per cent of respondents found it very difficult to recruit a director/coordinator in contrast to 19% of respondents who found it very difficult to recruit Certificate III or IV educators. Figure 23 shows the degree of difficulty to recruit educators with various qualifications.

Figure 23. **Difficulty recruiting for educators of different qualifications**



Respondents were asked to consider the top three factors that may make it difficult for them to recruit.

In 2017, almost half (42%) of respondents said that applicants having completed qualifications with private registered training organisations and not being suitably skilled was a major consideration, followed by low numbers of applicants applying for positions (37%) and applicants not being qualified (28%). Around one-quarter of respondents also identified working conditions including low wages (28%) and working hours (23%) as challenges to recruitment.

In 2012, first and second waves, one-quarter of respondents considered that applicants were not suitably skilled or qualified. In 2014 and 2017 this proportion decreased to 16% and 13% respectively.

Wage differentials between qualifications and/or different service types were also issues in 2012 first and second waves, with 14% and 11% respectively noting it as a difficulty. In 2014 this decreased to 8%, and in 2017 to 4%. It may be that the introduction of the modern awards in 2010 and the equalising of rates of pay and conditions in 2014 have reduced the impact of wage differentials on recruitment. With three-quarters of respondents also offering pay and conditions

above the relevant awards, it may also be that more services are choosing to offer above award rates for ECTs and directors. This is discussed further below.

The burden on staff to meet regulations as a factor that made it difficult to recruit also decreased over the survey waves from around 10% for both waves in 2012 to 7% in 2014 and 2% in 2017.

In 2017, survey respondents also commented that factors that made it difficult to recruit included:

- educators having no or limited experience
- relevant training, experience and wages and conditions impacted on recruiting ECTs
- applicants were not able to provide adequate information during their initial application process including not addressing selection criteria and very poor standards of written applications
- it was challenging to recruit casual staff as casual employees wanted some certainty around potential numbers of shifts and/or hours of work
- negative impact on family life when trying to recruit for the split shifts in OSHC

Related respondent comments included the following:

Lack of understanding of regs and responsibilities

Have qualifications but can't perform basic tasks required [for] the job, such as observations, writing reports to professionals

...failure to address key points in advertisements

...difficult to find casual staff as we do not require them regularly enough

Working hours for OSHC when staff have a family

There were several interesting comments that reflect directly on undergraduate training and practicum:

I have always had students, it is impossible to fail a student even if they are totally unsuited to the job (this includes Uni)

...when you 'pay for your qualification', you get it regardless of skill level

I have been teaching since 1983. I find that the standards of training at TAFE, Uni and private training [organisations] are getting lower all the time

A recent report from the Australian Skills Quality Authority (ASQA) – *A Review of Issues Relating to Unduly Short Training* – included information about training in early childhood education and care. Certificate III courses should be one to two years duration (Australian Qualifications Framework); this represents about 1,200 hours of delivery. The Australian Qualifications Framework specifies typical volumes of learning (duration) for Certificates up to Doctoral Degrees¹⁷.

¹⁷ <https://www.aqf.edu.au/sites/aqf/files/aqf-2nd-edition-january-2013.pdf>, pgs. 14–17, accessed 13 December 2017.

A 2015 ASQA review found that:

- 70% of these courses are less than one year in duration
- 20% of courses were 26 weeks or less
- almost 75% of delivery was 750 hours or less

In 2015, 57 RTOs enrolled 4,386 Certificate III students. Only 15 of these RTOs had courses that went for the mandatory period of one to two years, and only 40% of students were enrolled in these complying courses.

Diploma courses fared much better. In 2015, 52 RTOs enrolled 6,908 Diploma students. Only six of these RTOs had course durations below the minimum Australian Quality Framework requirements and only 3% of students were enrolled in these courses. The majority of RTOs (88%) exceeded the minimum requirement¹⁸.

Pay and conditions

Three-quarters of respondents (75%) had conditions and pay above the relevant children's services awards. This is an increase from 2014 when 69% of respondents provided above award conditions and pay. Grandfathering of applicable clauses in the transition to Modern Awards ceased in 2014. It may be that respondents are looking at the range of above award wages and conditions they can provide to be competitive in the recruitment marketplace. In 2017, these above award conditions included:

- rates varying from 3% to 10% above award
- bonuses or additional pay linked to tenure
- paying higher qualified educators or those with more responsibility a higher rate than other staff
- providing additional leave
- providing additional planning time for educators
- providing paid professional development

We pay above award wages to all our staff and I believe this is what contributes to our long-term staff

There are other bonus payments such as up to 6% additional pay for the loyalty (length of service)

...additional two weeks leave during the shutdown period at Christmas after 12 months service...educators can also purchase additional two weeks annual leave

...additional conditions such as planning time and robust professional development throughout the year

¹⁸ https://www.asqa.gov.au/sites/g/files/net2166/f/strategic_review_report_2017_course_duration.pdf, pgs. 144–148, accessed 13 December 2017.

Some of these above award conditions are included in Enterprise Agreements. Some respondents had a whole-of-service approach with all staff be included in the Enterprise Agreement, while others had Agreements for specific classes of educators such as ECTs and diplomas.

Only the bachelor trained teachers. All educators are paid at award

...we have a collective agreement for teachers and are working on a collective agreement for educators

We employ all educators under our own Enterprise Agreement

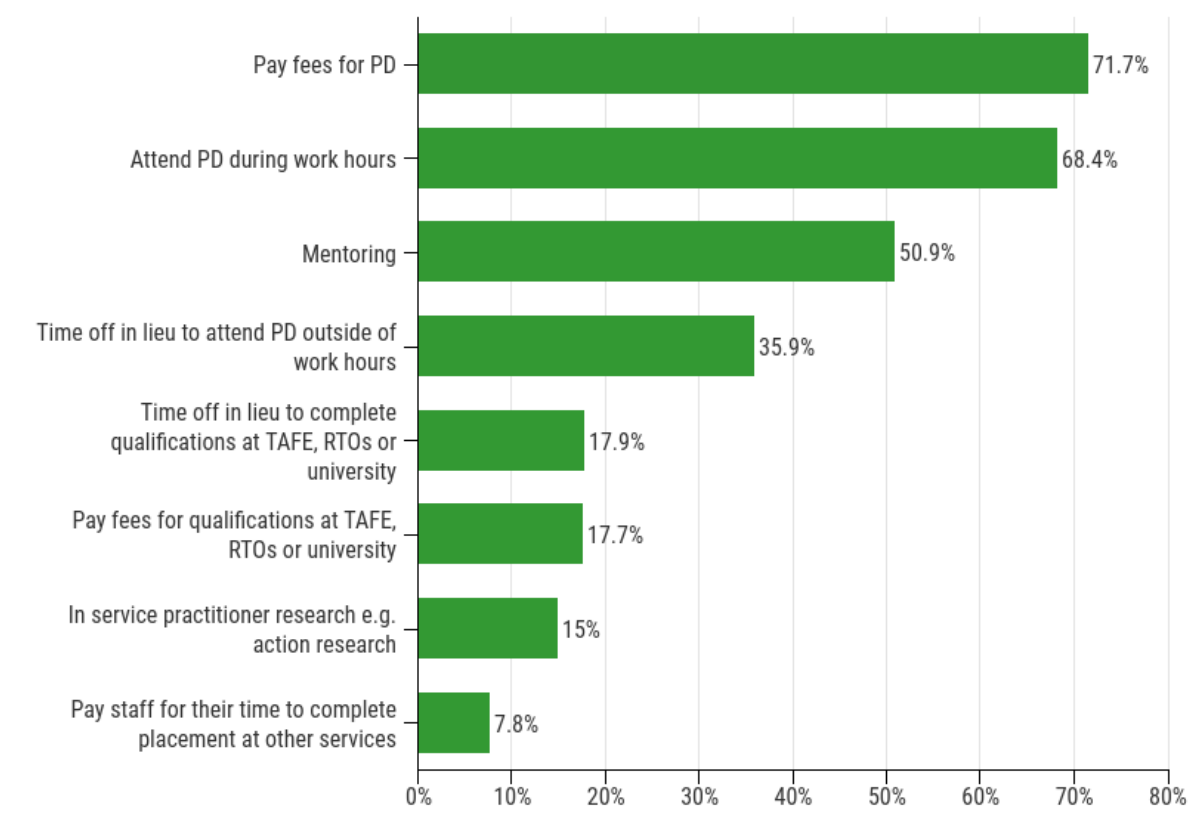
75% of respondents had conditions and pay above the relevant children’s services awards

Professional development

Respondents provided a range of support to assist their educators’ participation in professional development. Nearly three-quarters of respondents (72%) reported that they paid the fees for educators to upgrade their qualifications at TAFE, RTOs or university, and over two-thirds (69%) allowed educators to attend professional development during work hours.

Figure 24 shows the range of supports provided by respondents.

Figure 24. Professional development (PD) options provided



Half (49%) of respondents had been affected by the end of subsidised professional development delivered by the Professional Support Coordination (PSC) program. The most significant impact respondents noted was the cost of professional development, including the challenge of funding professional development, who should pay for this professional development, and how educators access professional development.

Our stand-alone community based centre will find it difficult to subsidise training to our 15 staff in our budget, if we are to not increase family fees

We are restricted to educators attending training after hours due to the cost of replacing them during the day. This means, of course, that staff will be attending less PD as will now be in their own time, unpaid

This has certainly been the case if any of these people [management committee] are employed as teachers as they always comment they have to pay for their own training so why don't our educators! Despite the obvious gap in wages.

Respondents are more cautious and selective about the professional development educators participate in.

We are a small service ... So mostly we can only afford in service now

Our staff are now only able to attend essential training like first aid or free training

I am more cautious where my dollars are being spent

There was concern that less access to professional development would impact on pedagogy and organisational culture.

Lack of ability to fund a team approach to training and this then means less attendance, less commitment and it is always much harder to implement learning when all are not 'on board' or able to understand information and therefore not drive ideas and change where necessary

It is essential to continue the robust professional development to enable continued growth, professional learning for educators, research and, ultimately, continue with keeping up to date with sector changes and research to provide programs that achieve good outcomes the children

And sadly, for some services the loss of subsidised professional development by the PSC program has resulted in no access to professional development.

Little to no PD has been offered in our region since the end of the funding period

We are now unable to attend training sessions or information sessions

Being in a remote area means limited or no access to face-to-face training

No funding available to assist with study support in remote areas

In some states and territories, all teachers are required to be registered, including ECTs who work in ECEC services. To maintain accreditation, all accredited teachers are required to complete a predetermined number of hours of professional development over an agreed period. In some jurisdictions there is limited or no support to upgrade qualifications and participate in continued professional development.

Fees and costs

TICCSS commenced at a time of significant change in the education and care sector. Some of these changes such as the introduction of Modern Awards, which worked towards equalising wages and conditions, and the NQF mandating higher adult to child ratios in some states and territories, directly impacted on operating costs of education and care services. Some of these costs may have been passed on to families through increased fees.

This section of the report asked respondents to share information about their fees and charges for service provision, along with any impact fee increases may have had on families attending their services.

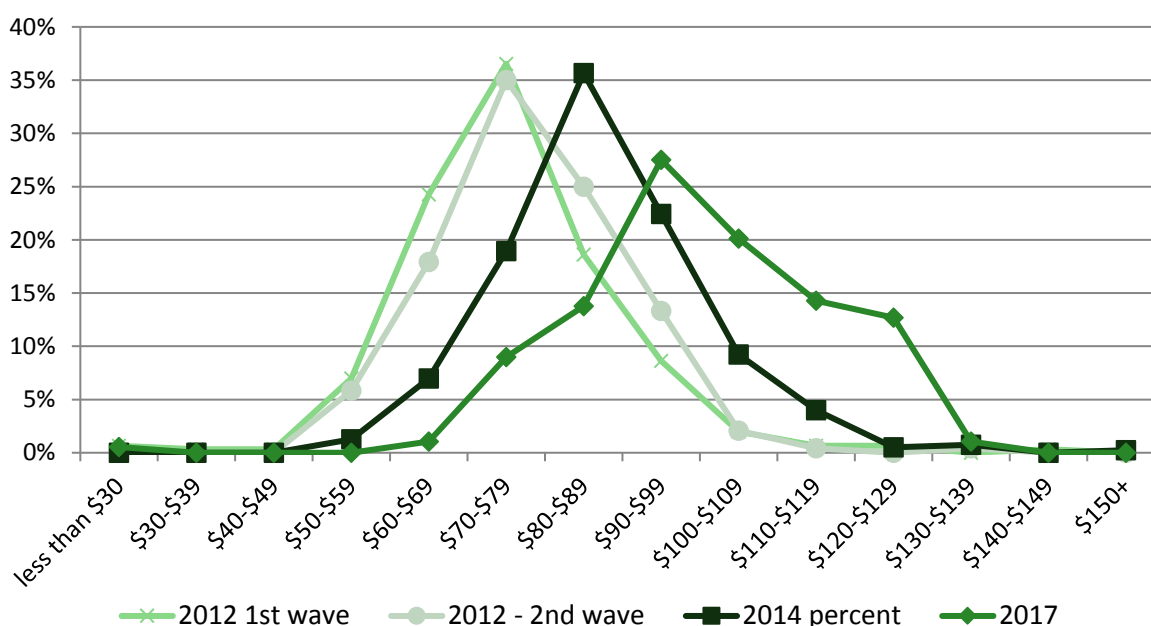
Daily fees

Centre-based long day care

Over time, the daily fees for centre-based long day care have increased. In 2012, 35% of services had daily fees in the range of \$70–\$79. In 2014, the same proportion of services charged fees in the range of \$80–\$89, and in 2017, just under a third (28%) charged fees in the range of \$90–\$99. In 2017, long day care fees ranged from \$28.60 to \$135 per day.

Figure 25 shows daily fee ranges over all four TICCSS waves.

Figure 25. Centre-based long day care – range of daily fees



Considering the largest proportion of services in each wave that charged the same fee – that is \$70–\$79 in 2012, \$80–\$89 in 2014 and \$90–\$91 in 2017 – these fee increases represent 8.75% from 2012 to 2014 and 8.8% in the period 2014 to 2017. In the period 2012 to 2014 the Consumer Price Index (CPI) increased by 6.7%, and in the period 2014 to 2017 CPI increased by 3%¹⁹. The fee increases are

¹⁹ Australian Bureau of Statistics (2017), *Consumer Price Index 6401.0, All groups CPI Australia*

slightly higher than the CPI increases over the same period and could be attributed to improved wages and conditions, and improved educator: child ratios increasing staffing expenditure.

Preschool

Survey respondents that provided a preschool/kindergarten daily fee included stand-alone preschool/kindergartens and preschool programs provided within a long day care setting. Some stand-alone preschools responded with fortnightly or term fees. Some long day care centres charged the same rate for long day care as for preschool/kindergarten. Because of these variations in response it is not possible to determine a range or average preschool/kindergarten fee.

Outside of school hours care

OSHC sessional fees²⁰ varied across a wide range.

- Before school care fees ranged from \$5–\$30 per session.
- After school care fees ranged from \$10–\$45 per session.
- Vacation care fees ranged from \$11–\$115 per day.

Family day care

Hourly rates for family day care range from \$7.20–\$14.

Other children's services types

The only multi-functional Aboriginal children's service (MACS) that responded charged \$15 per day.

The three mobile services that responded charged daily rates varying from \$20–\$39.

The four occasional care services that responded charged hourly rates varying from \$6–\$10.

Fee increases in the past 12 months

Centre-based long day care

Two-thirds of respondents (66%) had increased their fees in the last 12 months. Almost one-fifth of respondents (18%) had increased their fees by \$5 per day, and almost another fifth (18%) by \$3 per day.

Preschool/kindergarten

Just over one-fifth of respondents (22%) had increased their daily fee by \$5, and another fifth (21%) by \$2 per day.

Outside school hours care

Before school care – sessional increases ranged from \$0.50 to \$5, with almost one-third (32%) of respondents increasing before school sessions by \$1 in the past 12 months.

After school care – sessional increases ranged from \$0.50 to \$5, with almost one-third (31%) increasing after school care sessions by \$1 in the past 12 months.

²⁰ Where respondents provided an hourly rate for after school care, this was multiplied by three to reflect a 3 PM to 6 PM session. Where respondents provided a range of costs for vacation care, the lowest fee was included.

Vacation care – daily fee increases ranged from \$1 to \$10, with just under one-third (31%) increasing their daily fee by \$2.

Other children’s services types

The sole family day care provider that responded to this question increased their fees by \$0.20 per hour.

The two mobile services that responded to this question increased their daily fee by \$2 and \$5.

Reasons for and impacts of fee increases

Reasons

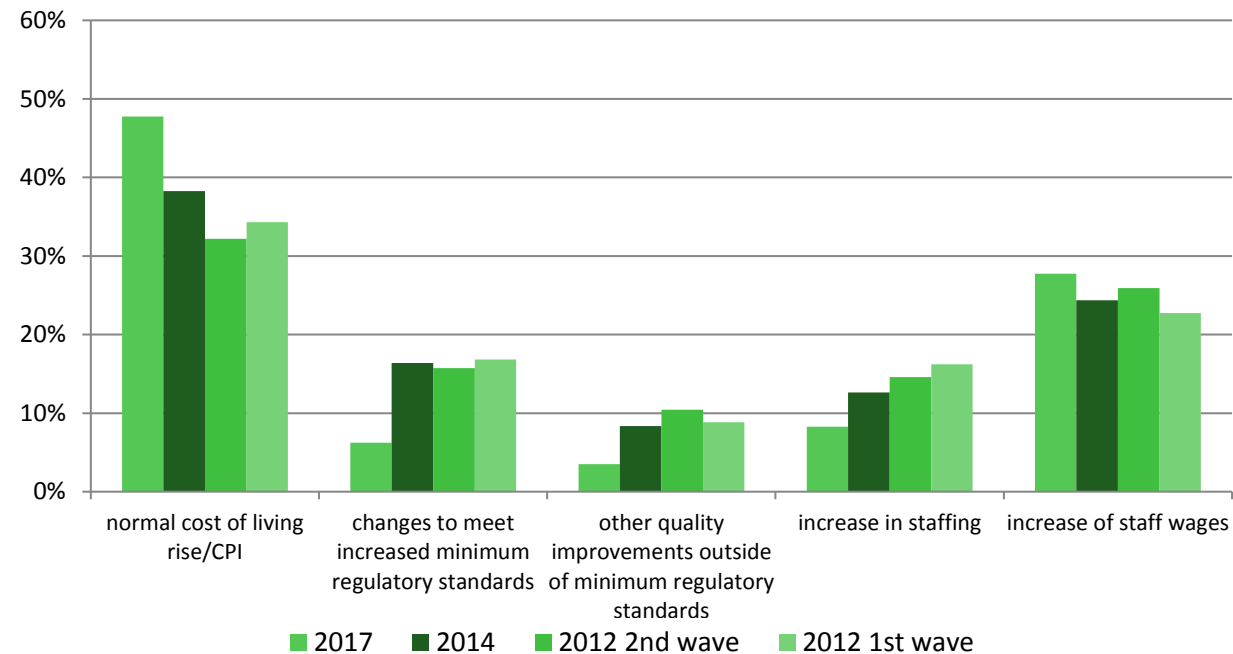
Respondents were asked to identify the main reason for fee increases. The main reason across all waves was related to normal cost of living/CPI increases. Cost of living/CPI increases account for an increasing proportion of fee increases; in the period 2014 to 2017 cost of living/CPI increased by 3%²¹.

The financial impact of significant regulatory changes to early and middle childhood services seems to have slowed. Costs relating to meeting regulatory standards or other quality improvements have decreased over all waves. In 2012, 17% of respondents increased their fees due to costs associated with meeting regulatory requirements, compared with 6% in 2017. The impact of increasing staff numbers on fees has declined across all waves, from 16% in 2012 to 8% in 2017.

The impact of increasing staff wages on fees has remained fairly consistent across all waves varying from 23% to 28%.

Figure 26 shows the main reasons for fee increases across all four survey ways.

Figure 26. Main reason for fee increase



²¹ Australian Bureau of Statistics (2017), *Consumer Price Index 6401.0*, All groups CPI Australia.

Impacts of the fee increases

Respondents were asked to consider how fee increases may have impacted on the families using their services, including specific feedback from families or families reducing days or hours or leaving the service altogether.

Half (52%) of the respondents reported that no families had expressed frustration due to fee increases and 61% of respondents indicated that some families or many families had expressed their understanding for the need of fee increases.

Comparatively, a small proportion of services had some families or many families leave (7%) or reduce their days or hours (14%) due to fee increases.

It would seem that families are either not leaving because of fee increases, or opting not to cite fee increases as a reason for leaving. It is not known whether increased fees have impacted in other ways that aren't captured in this survey. It may be useful to ask about perceptions of increased family financial stress in subsequent surveys.

Table 5 shows the impact on families of fee increases in 2017, the column highlighted indicates where services have identified that no families have responded to the fee increases in the identified ways.

Table 5. Impact on families with fee increases

PERCENTAGE OF FAMILY IMPACT	MANY	SOME	ONE OR A FEW	NONE
Expressing frustration due to increase	26.5%	12.7%	29.5%	51.5%
Expressing their understanding for the need of the increase	26.5%	33.8%	15%	24.8%
Leaving your service due to the increase	2.2%	4.8%	16.5%	76.5%
Reducing hours/days with your service due to increase	4%	10.2%	23.5%	62.4%
Saying they are under increased financial stress due to the increase	5.7%	11.8%	21.5%	61%

It will be interesting to monitor the impact of the new Child Care Package and the CCS on the daily fees. Many families, particularly low- and middle-income families, who meet the work activity test, will receive greater fee relief under the new CCS. In the past, enhanced government fee relief has resulted in inflated daily fees. Department of Education and Training administrative data reports that long day care fees increased by an average of 6% per annum over the past 10 years, aside from a 14% spike in fees in the 2009 financial year when CCR was introduced²².

²² Department of Education and Training (2016), *Early Childhood and Child Care in Summary March Quarter 2016*, Department of Education and Training, Canberra, p. 12.

National Quality Framework

The NQF has been one of the most significant changes in the education and care sector. It directly impacted on service operation through better educator: child ratios, minimum qualification requirements, continuous improvement plans and enhanced quality and rating systems. It is important to understand and track the impact of the NQF on education and care services.

In this section of the report, we asked respondents to identify positive impacts the NQF had had on their services as well as issues and considerations, including changes in current and previous quality ratings. We also asked respondents about their perceptions of their most recent assessment and ratings process.

Highlights and issues with the National Quality Framework

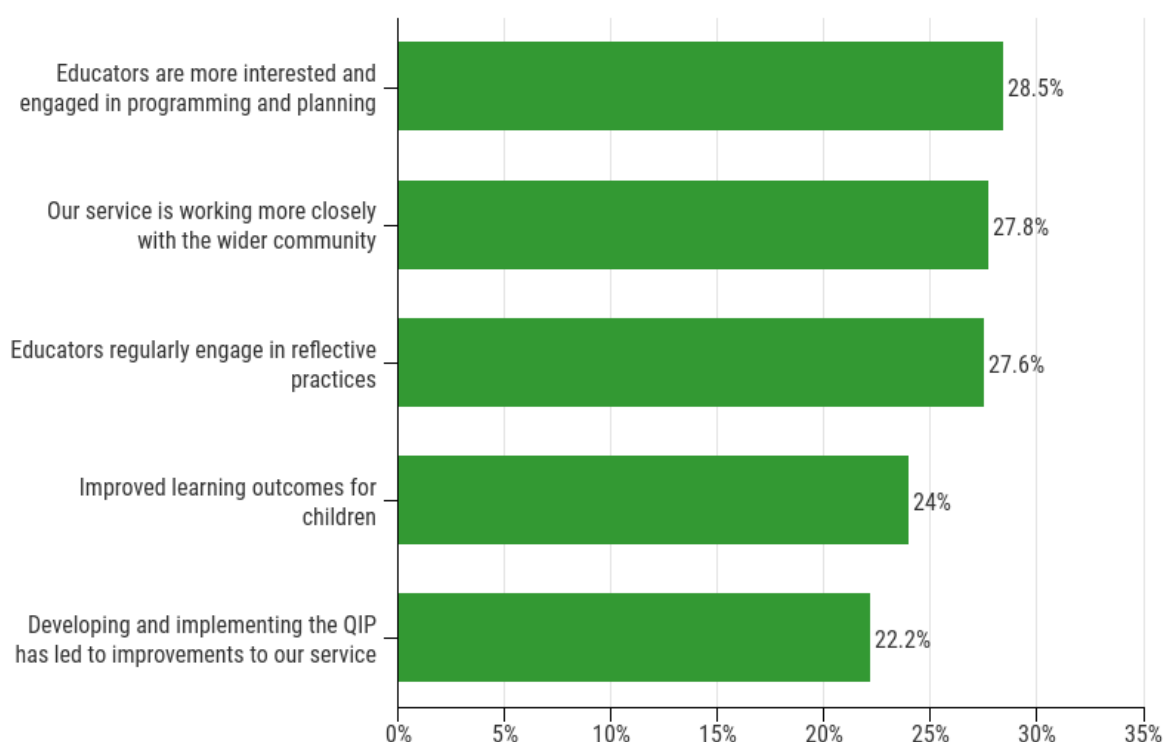
Respondents were asked to consider the impact of the National Quality Framework on their services, including highlights, issues, and Quality Areas focused on in the past 12 months. Respondents could select a number of possible responses (See Figure 27).

Highlights

In 2017, more than one-quarter of respondents commented that:

- ✓ educators were more interested and engaged in programming and planning
- ✓ their services were working more closely with the wider community
- ✓ educators regularly engage in reflective practices
- ✓ children experienced improved learning outcomes

Figure 27. **Top highlights in 2017**



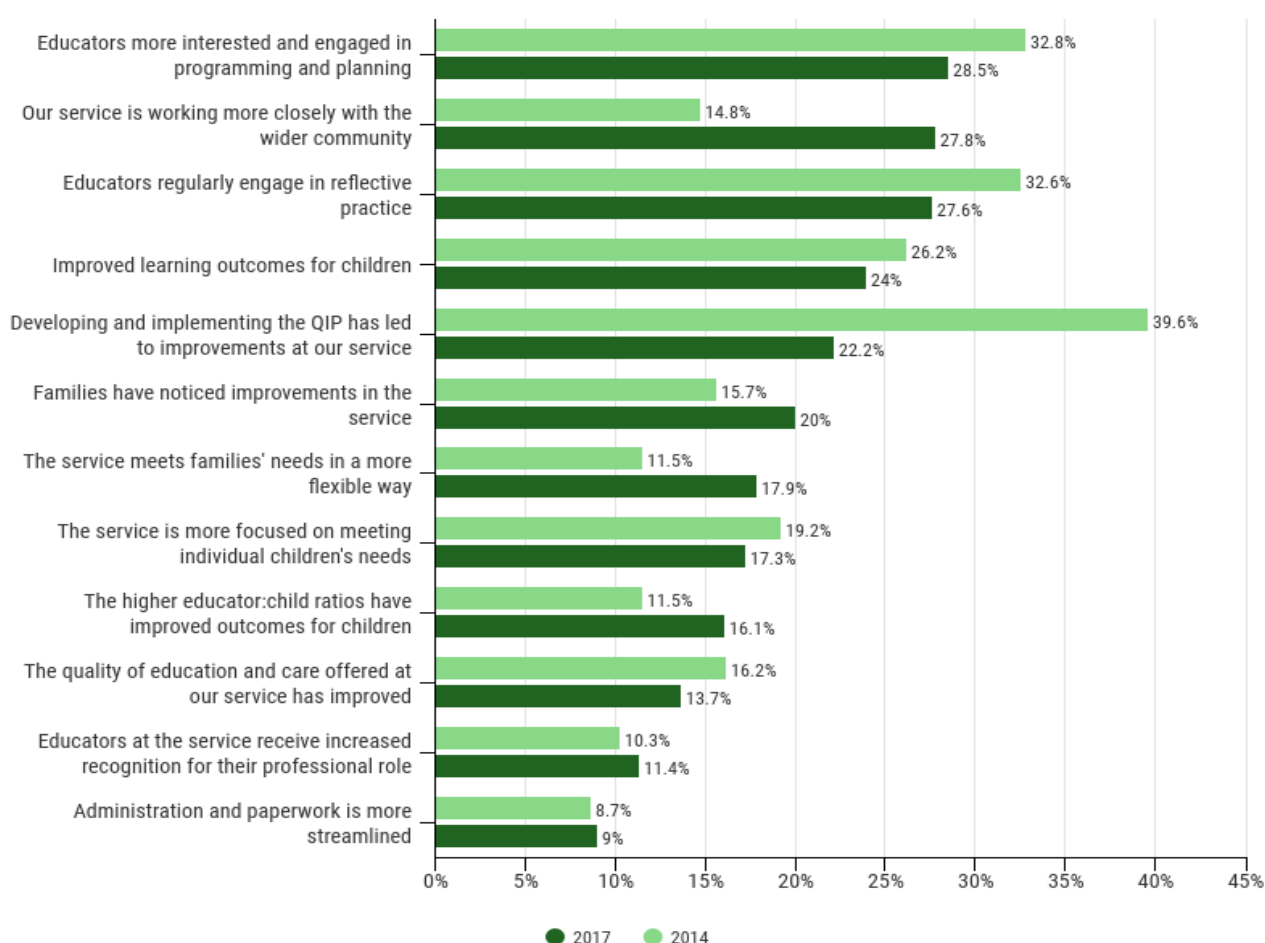
As services have become more comfortable with the NQF, reaching out further to the community may have become part of regular practice

In 2014, respondents identified 'developing and implementing the Quality Improvement Plan (QIP) has led to improvements at our service' as the top highlight (40%), followed by 'educators being more interested and engaged in programming and planning' (33%), and 'educators regularly engage in reflective practices' (33%). The 2014 focus on the QIP may relate to services developing their first plan as part of the continuous improvement process leading up to the first ratings and assessment visits. In 2017, at least 74% of respondents had experienced their first ratings and assessment visit and it may be that the QIP is now seen as a regular part of how business is done at these services.

In 2017, services reaching out and engaging more actively with their wider community was rated as a highlight (28% of respondents, in contrast to 2014 when only 15% of respondents noted this). As services have become more comfortable with the NQF (including Quality Area 6 that asks services to consider how they engage in collaborative partnerships with families and communities), reaching out further to community may have become part of regular practice.

Figure 28 shows the top highlights in 2014 and 2017. This question was not asked in the first two waves of TICCSS.

Figure 28. Top Highlights in 2014 and 2017

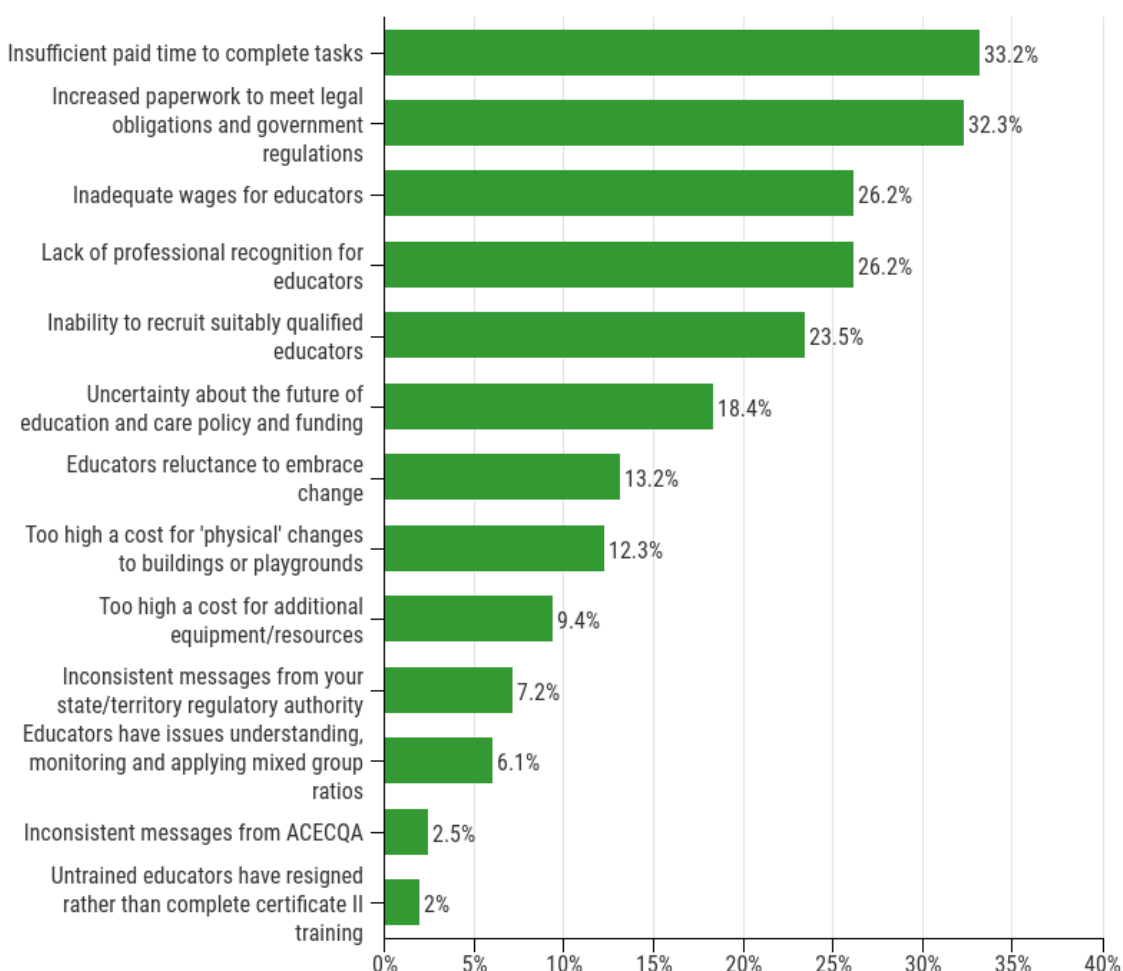


Issues

In 2017, issues respondents experienced with the NQF related to (See Figure 29):

- insufficient paid time to complete tasks – 33%
- increased paperwork to meet legal obligations and government regulations – 32%
- inadequate wages for educators – 26%
- lack of professional recognition for educators – 26% and
- inability to recruit suitably qualified educators – 23%

Figure 29. **Top issues in 2017**



These issues are the same as those most frequently identified as being top issues in the 2014 survey although the proportion of respondents indicating these issues has decreased significantly over time.

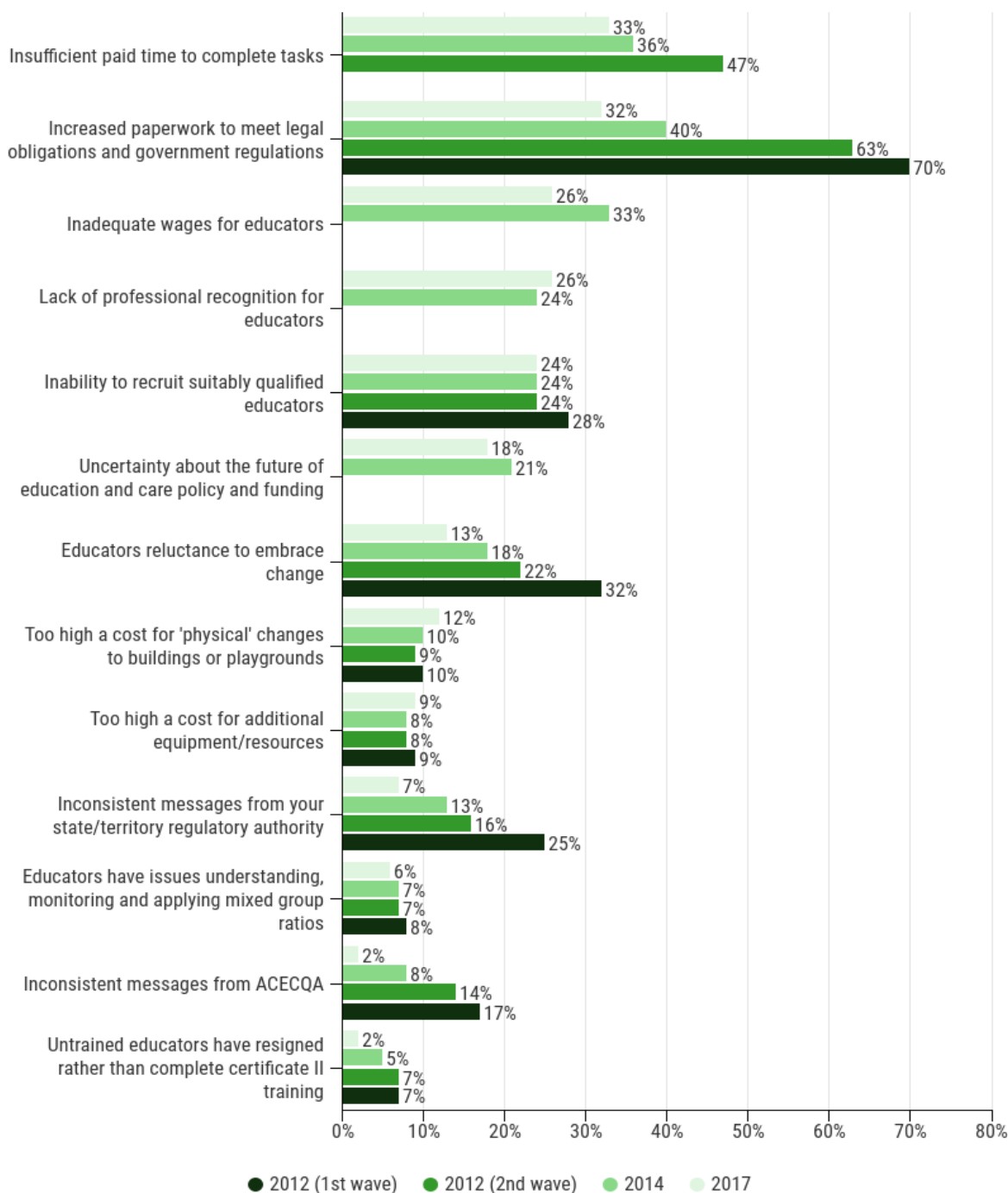
Perceptions related to lack of time and increased paperwork are supported by recent research conducted by Queensland University of Technology (QUT)²³. In this research, educators reported that the volume of paperwork was often dictated by external sources and did not always support

²³ Irvine, S, Thorpe, K, McDonald, P, Lunn, J, & Sumsion, J (2016, May), *Money, Love and Identity: Initial findings from the National ECEC Workforce Study. Summary report from the national ECEC Workforce Development Policy Workshop*, Brisbane, Queensland: QUT, p. 5.

professional pedagogical work. These educators did not always feel that they could “exercise professional autonomy” over their work²⁴.

Figure 30 shows the most frequently identified issues over the four waves of TICCSS. The 2017 and 2014 waves included more issues than were listed in 2012 waves and this is reflected below.

Figure 30. **Top issues experienced over the four waves of TICCSS**



²⁴ Ibid.

Over time respondents' perceptions relating to insufficient paid time to complete tasks has decreased from 60% in 2012 to 36% in 2014 and 33% in 2017; and the increased paperwork to meet legal obligations and government regulations has decreased from 70% in 2012 to 40% in 2014. Familiarity with and streamlining of the NQS seems to have positively impacted on use of time.

Quality Areas in which services have implemented positive change

In 2017, respondents had implemented positive changes across all Quality Areas. Almost two-thirds of respondents (63%) had implemented positive changes in Quality Area 1 – Educational program and practices, followed by Quality Area 3 – Physical environment (50%), Quality Area 6 – Collaborative partnerships with families (48%) and Quality Area 7 – Leadership and service management (46%).

Recent ACECQA data supports respondents reporting positive changes in Quality Area 1. In quarter 3 of 2013, 67% of education and care services were rated as Meeting NQS in this Area, and this has increased to 80% in quarter 2 of 2017²⁵.

Service waivers

Only 3% of respondents had waivers, with most waivers relating to indoor space. This is a decrease from all previous waves where around 10% of respondents had waivers.

Assessment and ratings

Three-quarters of respondents (74%) had undergone one NQF assessment. One-fifth (21%) had undergone two NQF assessments.



52% of respondents had received an Exceeding rating and just over one-third (37%) were rated as Meeting the NQS

Just over half (52%) of respondents had received an Exceeding rating and just over one-third (37%) were rated as Meeting the NQS. It is pleasing to note NFP children's services doing so well under the NQF. ACCS survey data reflects the national ACECQA data that shows this same result. The most recent ACECQA Snapshot for Quarter 3, 2017 shows that NFP centre-based services, including government and school providers, comprise 71% of all services rated as Exceeding and only 42% of services rated as Working Towards NQS²⁶.

For those respondents that had experienced second and subsequent ratings and assessment visits, almost two-thirds (61%) had received a different rating under the second assessment, with quality ratings generally improving from the first to second assessment.

Perceptions of assessment and rating process

Respondents were asked to consider their experience with the most recent assessment and rating process from extremely negative to extremely positive.

²⁵ Australian Children's Education and Care Quality Authority (ACECQA) (2017) *National Quality Agenda National Partnership Annual Performance Report*, ACECQA, Sydney, p. 33.

²⁶ http://files.acecqa.gov.au/files/Reports/2017/NQF_Snapshot_Q3.pdf, accessed 13 December 2017.

Respondents reported positively on their most recent assessment and ratings process

Respondents reported positively on their most recent assessment and ratings process and ‘the impact on quality improvement at [their] service’ (73%), followed by ‘the timely reporting on outcome of assessment’ (69%), and ‘the clarity of the process to you and your staff’ (64%). The following table shows these results (See Table 6), with the highlighted columns indicating where respondents rated their perception as positive or extremely positive. While all aspects of the assessment and rating process were rated positively by more than half of respondents, the least positive aspects were ‘the ease of the process and its impact on the running of [the] service’ (55%) and ‘the process for services to review and provide feedback on the draft report’ (56%).

Table 6. Perceptions of the most recent assessment and ratings process

	EXTREMELY NEGATIVE	NEGATIVE	NEUTRAL	POSITIVE	EXTREMELY POSITIVE
The accuracy of the final rating from your point of view	4.5%	15.7%	16.9%	33.9%	29.1%
The clarity of the process to you and your staff	1.6%	9.2%	24.8%	42%	22.3%
The ease of the process and its impact on the running of your service	3.9%	13.5%	27.7%	41.5%	13.5%
The impact on quality improvement at your service	2.2%	3.2%	21.8%	52.9%	19.9%
The knowledge of the assessors around early childhood service delivery	4.8%	10.6%	20.8%	40.7%	23.1%
The process for services to review and provide feedback on the draft report	6.2%	12.3%	26%	37.7%	17.9%
The provision for services to make minor adjustments	3.5%	9.7%	27.7%	42.9%	16.3%
The skill of the assessors	6.1%	9.9%	22.4%	37.1%	24.6%
The timely reporting on outcome of assessment	3.5%	6.1%	21.4%	47.3%	21.7%
The usefulness of the assessment and ratings report	4.5%	9%	23.1%	39.4%	24%

There was little variation between the positive and extremely positive proportions in the 2017 and 2014 survey waves, aside from ‘the timely reporting on the outcome of assessment’. 59% of respondents rated this as positive or very positive in 2014, with a 10% increase to 69% in 2017. This reflects changes made in all jurisdictions to streamline the assessment and ratings process reporting back to services.

National Quality Framework changes in October 2017 and February 2018

Respondents were asked if they had any comments about the changes to the National Quality Framework to be implemented in October 2017 and February 2018.

Thirty-three respondents viewed the changes as positive with some particularly noting the streamlining of elements and standards.

... the streamlining of standards will reduce much of the overlap and complexity and hopefully enable services to go deeper into the understanding

The changes will mean there is no double up in the National Quality Standards so time required to complete Quality Improvement Plans should be reduced. There will be more consistency across all states and territories

A positive is that they have removed any double areas in the NQS

A few respondents noted the improved ratios for OSHC services.

.... ratios [for] out of school care is good

Families and communities

Education and care services play an important role in supporting Australian children's safety, health, well-being, education and care. Education and care services provide universal support and targeted programs that can assist children and families from a broad range of backgrounds.

NFP children's services have traditionally had strong connections to their community, with many service providers being aware of those families who may be experiencing vulnerability earlier than child protection services. Education and care services provide a soft, safe entry point for families and children, and can provide early intervention and prevention support and resources as needed.

ACCS considers that those children who may be experiencing vulnerability have a range of risk factors that are challenging or affecting their development and learning.

Respondents were asked to consider whether the profile of children and families who may be experiencing vulnerability had changed in their service in the past 12 months, why these changes may have occurred and what supports could assist these children and families.

Children in vulnerable circumstances

In 2017, the Trends in Community Children's Services Survey asked respondents to provide their impression of how many children were using the service who were in vulnerable circumstances, and what changes they have seen in these numbers over the last 12 months.

In 2017, 87% of respondents indicated that their impression was that they had children at their service were in vulnerable circumstances. The proportion of respondents who have noted an increase in their impression of the numbers of children who are in vulnerable circumstances has slowly increased from 28% in 2012 (first wave), to 32% in 2014 and 36% in 2017.

Respondents reported a range of factors that were impacting on families, with many families having multiple risk factors that increase the likelihood of children being in vulnerable circumstances. The responses showed that financial hardship/stress, combined with domestic and family violence, mental health, and substance abuse impacted many families. Relationship/family breakdowns, impacted on financial stress with some children moving to out-of-home care, foster care or kinship care. Responses to this question included:

Children presenting with significant delays in three or more domains

We have more children with additional needs

Increased cases of domestic violence often resulting in displacement and having to reside in a refuge

Living week to week, not bringing enough food to kinder

We have had many families drop days or take up less days due to costs

More grandparents and family members caring for children who have been removed from their parents due to abuse

Children are reacting to the anxiety and stress in their homes and are more difficult to engage with as well as having mental health and social skills issues

.... an increased number of children who have complex and acrimonious family arrangements

Respondents were asked to consider what children and families experiencing vulnerability may need to support their participation in ECEC services. Of those who responded to this question, overwhelmingly, fee relief, financial support and even free ECEC services were considered crucial. This is also seen as an important element to support child well-being and safety.

Reduction in fees so children have continuity of care in [a] safe environment with many eyes watching

Funding from the Department to assist in foster care is paying child care fees whilst in care to allow some consistency in their care. Needs to be upfront

Subsidised places so children experiencing vulnerability or disadvantage can attend ECEC

It was also important that skilled educators were available in supportive ECEC environments.

...educators need to have knowledge to access services to assist families in need

Vulnerable children often need specialised individual support with transitions. Challenging behaviours also require specialised skills. Increased ratios allow educators to support children and families at key times

Understanding; strong relationships and support with key staff in the service. Support and reassurance

A nurturing, comfortable, accepting environment not only physically but from those who work in our education and care service

Respondents also commented on access to specialised support and care services to support those children and families who may be experiencing vulnerability.

Family counselling support, behavioural support/knowledge. Gender dysphoria support and knowledge

Better access to professionals to assess and provide services for children with complex needs

More action from family support services, not DHS

For some, transport to assist children to and from ECEC services was important. Without supported transport, some children did not attend programs or attended irregularly.

Policies

Impact of the National Disability Insurance Scheme

Overwhelmingly, respondents' comments related to the National Disability Insurance Scheme (NDIS) centred on confusion and lack of information for services and families.

Information to support services in understanding this has been very lacking, and information you do gather varies from source to source

Very confusing – need help to navigate to support families, takes a lot of time, need to be committed to do it

...needs to be better organised, still waiting since April for someone to contact us after we received a letter saying they'd be in contact shortly

Some respondents commented on families and children who may be missing out due to the high cost of service delivery and the lack of availability of services because of specialist workforce shortages and the geographic location of the family.

Would be great if there was support locally... Our families need to drive 100+ kilometres to access most of the services, putting more financial stress on them

Early years age group needs to [be] 0–8! Consistent with transition from preschool to school allowing the lengthy waits families are waiting to achieve diagnoses

.... pricing schedules aren't realistic

There were only a few positive comments.

Very confusing for one family to begin with and a lot of things promised are not delivered initially but working better now

People who require more assistance will be able to [get] the assistance required for their needs

The concerns raised by respondents may be attributed to problems associated with the transition process as the new Scheme rolls out. The NDIS has been implemented in a staggered way across geographic regions, and the last area to be most often implemented is that relating to early intervention. Close attention and monitoring should be paid to the intersection between NDIS and ECEC services to ensure that children and families don't experience any continued structural disadvantages as the new system is bedded down.

Impact of the Jobs for Families Child Care Package

Respondents were asked if they had any comments in relation to the Jobs for Families Child Care Package (since renamed as the New Child Care Package) that introduces significant changes to the education and care sector from July 2018. These changes include:

- a new Child Care Subsidy (CCS) – one payment based on family income and work activity test that will replace the CCB and CCR

- a reduction in weekly hours of subsidised care for those families who do not meet the work activity test from 24 hours to 12 hours
- the Additional Child Care Subsidy – a top-up payment above the CCS to provide extra support for children at risk of serious abuse or neglect, grandparent carers on income support, and families experiencing temporary financial hardship
- the Community Child Care Fund (CCCF) comprising a competitive grant program for eligible children's services, with eligibility based on geographic location or in receipt of funding under the current Community Support Program; and a restricted non-competitive grant program that will transition Budget Based Funded (BBF) services to the CCCF – all current BBF services will be eligible to receive CCCF based on transitional reports prepared by PwC
- a new in-home care program replacing the current Nanny pilot and in-home care programs. No details are available on this new program at the time of writing this report

Respondents were concerned that children and families experiencing vulnerability may find it more difficult to access ECEC services, particularly those who did not meet the work activity test.

Not enough access for vulnerable children due to reduced eligible hours and changes to special child care benefits

...potentially will add to further disadvantage of children, particularly vulnerable families, as a result of the removal of provision for all children to access two days of subsidised care

The most vulnerable children will be restricted to 12 hours early childhood education a week. Huge impact on reaching their potential

Respondents wanted more information about the changes so that they could talk to families, understand the mix between state and Federal funding, and minimise confusion.

Too much confusion and concern over the change. More information and support the service and families to understand the impact is needed

...we are getting many questions now and have very little information to pass onto families currently. We would like to understand more and how this will translate to the fees that families pay

...there is a lot of uncertainty in the package which is going to make it very difficult for services to implement a model of delivery that maintains viability for the service, certainty and consistency to families, and provides best outcomes for children

Some respondents also noted the impact of the new package on the current Registered Care. Many preschools/kindergartens are approved to provide Registered Care, allowing families to claim a very small amount of Child Care Benefit. Registered Care subsidies as part of the Child Care Benefit will cease from July 2018.

Families attending Registered Care services no longer have any rebate available

... families choose to use state-funded preschools will be excluded from claiming under these guidelines if they work

Conclusion

High quality education and care is of great benefit to all children and can improve their short-, medium- and long-term outcomes across a range of measures. As this report shows, community children's services have solid foundations in place that ensure the children in their care have the best possible start in life. Their embedded culture of continuous improvement and community responsiveness helps them to quickly adapt to sector changes and puts them in good stead going forward.

Community children's services are delivering some of the highest quality services in Australia. They are leading the way in:

- ✓ providing quality education and care services for children and families
- ✓ demonstrating a commitment to continuous quality improvement
- ✓ providing wages and conditions above award
- ✓ demonstrating strong support for the National Quality Framework

Future TICCSS have been planned to continue to monitor the implementation of the NQF over an eight-year period from 2012 - 2020, with a focus on the impact of these changes on:

- educator to child ratios
- utilisation
- qualifications
- waiting lists
- fees
- experiences in implementing the NQF
- existing and emerging vulnerabilities in communities and
- experiences with regard to recruiting and retaining staff

The next wave of TICCSS is planned for later in 2018.

Alongside this research, there is a need for further research on the impact of recent sector changes, including the NDIS and the New Child Care Package.

Education and care has gone through a period of transformational change in Australia. ACCS has been pleased to provide evidence that not only tracks community children's services' successful implementation of these reforms but that also can inform the future vision for Australia children and families.

Limitations of the research methodology

TICCSS findings are framed around an acknowledgement of the limitations of the research methodology.

First and foremost, the findings are indicative of what is happening in the sector but are not necessarily representative of all NFP community services.

Due to the snowball technique used by TICCSS to gather a sample, there will always be variables between waves of services and types of services that respond. This can, at times, limit the ability for rich comparison between TICCSS waves. Given the lack of comparative research, ACCS is confident that this indicative data begins to address the considerable data gap that presently exists.

Appendices

Section 2 Location of respondents

Figure 31. State territory location of respondents over the four waves of TICCSS

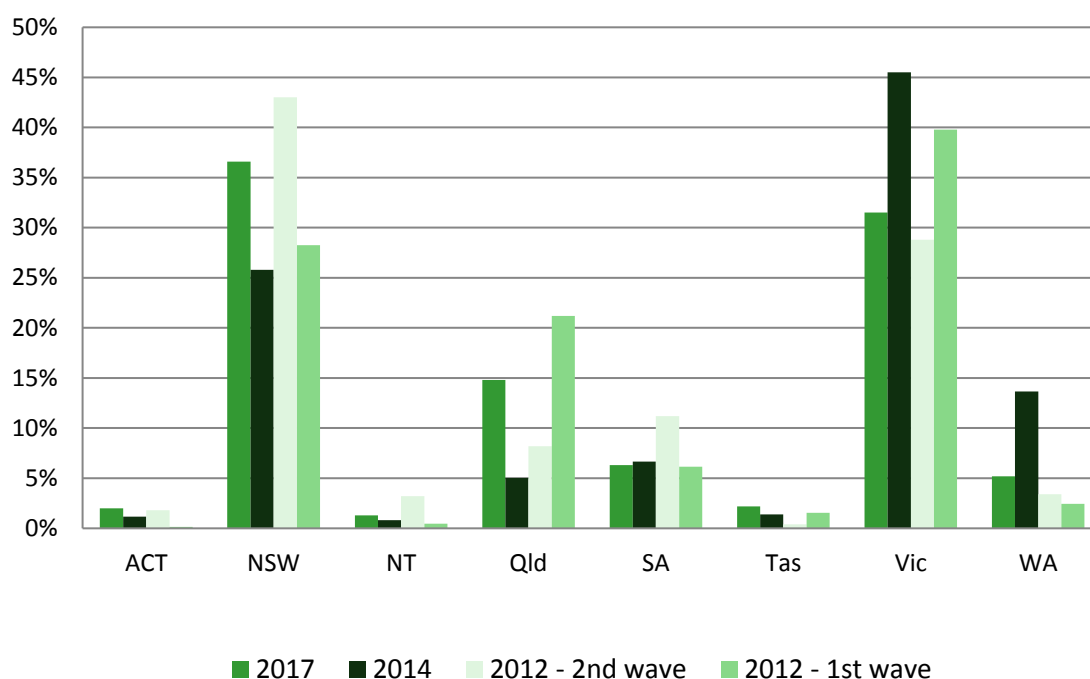
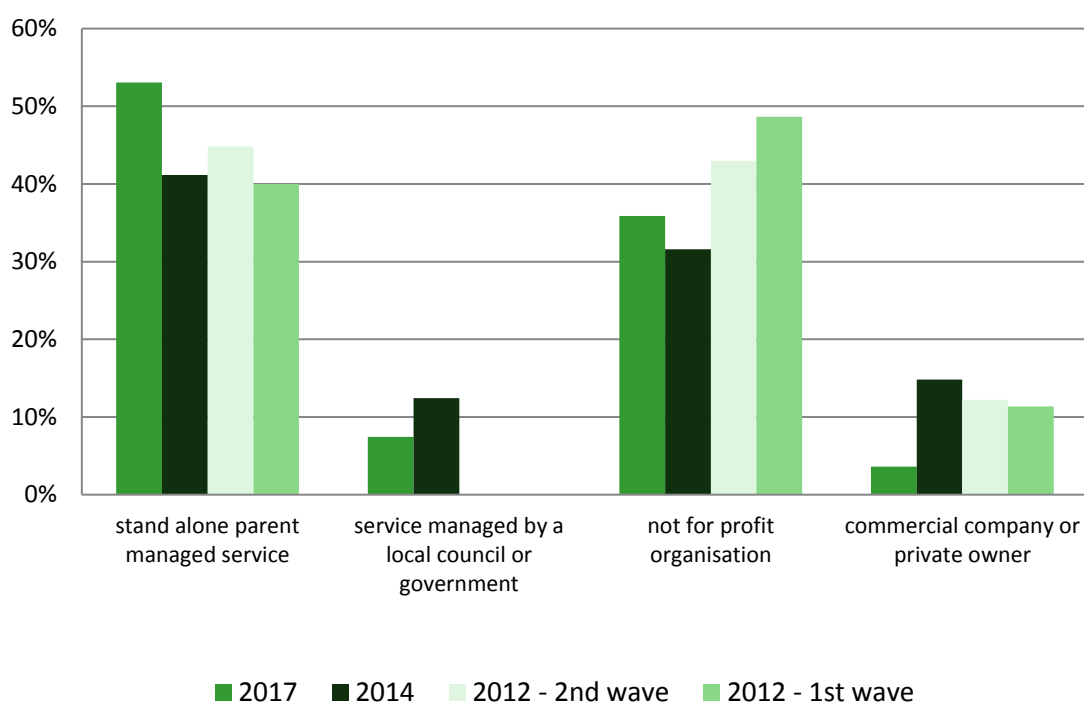


Figure 32. Children's services governance model across all four waves of TICCSS*

The following figure shows the children's service governance model of respondents across the four waves.



*It should be noted that the first two waves of the survey did not separate out not-for-profit organisations and those operated by local government.

Section 5 Recruitment and retention of staff

Figure 33. Qualifications that educators are working towards across the four waves of TICCSS

