

# Who Sank the Boat?



The impact of under funding on community based preschools in NSW

**NSW Children's Services Forum**

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## The impact of under funding on community based preschools in NSW

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# INTRODUCTION

This document has been prepared by a working party from the NSW Children's Services Forum to help inform politicians, the community and government officers about the impact of poor policy, planning and funding for community based preschools in New South Wales.

In most other states and territories, state governments have accepted that the funding of high quality preschool services is a state responsibility and there has been a deliberate policy implemented to ensure a minimum level of universal, affordable access to preschool in the year before starting school. This has been done differently across the country, but in New South Wales there is still no real commitment to either universality or affordability, nor is there any consistency in the New South Wales approach to providing services.

The Forum believes that many services, particularly small stand alone services and services in rural areas, are facing a crisis that could result in their closure, or at the very least, loss of places and/or quality.

Neglect of state funded children's services over the past ten years means that many families and their children now cannot afford to access a preschool place and that the children who are missing out are, on the whole, the children who would benefit most from early childhood education. Many families seeking an early childhood education for their 3 and 4 year olds have been forced to enrol in other, more affordable services on the grounds of cost and have therefore lost the right to choose the service that best meets the needs of their children and of the family.

What is suggested throughout this document is that there is a need for a short term fix to address the issues of viability and affordability, but also that there is a fundamental rethink needed around the value of preschool education. This includes how it can be more equitably provided across the state, and consideration of the support needs of community based services in providing the highest quality service for all children for whom community based preschool is the best choice.

Parents, early childhood experts, and school teachers all agree that early childhood education makes a difference to children's learning, not just in the short term but over a lifetime. In New South Wales we are risking children's futures if we do not take this lesson to heart.

We hope that you will read through the issues outlined in the following pages, consider the recommendations we have made and respond to the questions we have posed - bearing in mind not only that "it takes a community to raise a child", but that governments have a responsibility to both lead and reflect the communities in which we want our children to grow and develop.

# AFFORDABILITY

## “..planning and funding of children’s services is fair and consistent”

*(Outcome from the NSW Government’s Early Childhood Services Policy)*

We would argue that the most significant problem facing children’s services in NSW is the failure of the Government to meet these outcomes. There is neither consistency nor fairness in the funding arrangements for preschools, and families across NSW face variable fee rates depending on the historical level of funding received by the service combined with the variable levels of operational costs related to location and staffing.

The low level of funding provided to preschool services in this state lies at the heart of this problem. According to the Commission for Children and Young People:

*“NSW invests a total of \$150.90 per child for child care and preschool, comparing unfavourably with the average investment made by other States and Territories of \$350.74. While this can partially be explained by the fact that NSW has not taken the initiative of providing a free year of preschool for all 4 yr olds, NSW also contributes considerably less to other forms of child care per child than a number of other States and Territories do”.*

*(Report of an Inquiry into the best means of assisting Children and Young People with no-one to turn to, 2002, p.69)*

The result of low funding levels is high daily fee levels and a lack of capacity in many services, particularly those with large numbers of low income families, to offer appropriate fee subsidies to all those who are eligible for them. *(See case studies at the end of this kit)*

A comparison with other states helps to illustrate this problem:

1999/2000	NSW	VIC	QLD	SA	WA	ACT	NT
Av hourly fee	\$1.86*	\$1.15	\$1.95*				
Voluntary contribution per hour				\$0.45	\$0.08	\$0.47	\$0.28

*\*Pre-schools attached to the Education system were free, but a higher proportion of pre-schools are attached to the Education system in Queensland than in NSW.*

Source: Productivity Commission: Government Service Provision, 2001 Table 14.1, p.648

A recent survey undertaken by the Country Children’s Services Association , however, challenges the NSW rate in this table. It revealed that the lowest hourly fee for the lowest income group (less than \$20,355) was \$2.06 per hour and rose to as high as \$2.90 for families earning between \$27477 - \$40794. The average fee was around \$2.72 per hour. The average fee for families with an income over \$40,795, not exactly a high income cut off point, was \$3.59 per hour.

Affordability principles are further compromised in NSW by the operation of two separate preschool systems – a small number (79, rising shortly to 100) of inexpensive preschools attached to the Education system, fully funded for staffing and building costs, and a community based system (over 800 preschools) funded much more frugally through the Department of Community Services. A rough comparison between DET funded pre-schools and community based ones, using total DoCS funding of \$83m for 1200 pre-schools and long day care centres sees an average of approximately \$69,000 per community based centre with DET funding of \$15m for 79 centres giving an average of approximately \$189,000.

The main reason for the high fee levels in NSW is the lack of growth funding for services, existing or new, over the past 10 years and even longer. Base levels of funding to services in NSW were frozen in 1989/90 and while there have been various attempts since to look at new funding formulas, move to block funding, deliver one off grants and shift subsidies, no real impact has been made on either viability for services or affordability for families.

Indexation for services has failed to keep pace with the increased cost of service delivery, including salaries, rental costs, superannuation, insurance (particularly public liability), IT, training and equipment costs. There has been no interest, for example, from government in funding services to meet award increases, as they have done for other community-based services covered by the SACS Award.

## **Recommendations:**

- **That a substantial injection of funds should be given to the Children's Services Program to promote access to all families, affordable fees and viability of services. Historical inequities must be addressed.**
- **It is estimated that services need an immediate increase of between \$5,000-\$25,000 (depending on size), to remain viable but this in no way addresses the inequities that exist around fees and subsidies. A longer term strategy, including substantial additional funding, is needed to meet the outcome of fairness and consistency.**

## **Questions:**

- **What steps will your party take to ensure that all low income families can access affordable preschool services for their children?**
- **What is your party's view on the provision of universal pre-school services in the year before school?**
- **Is it desirable to have a dual system of preschools operating in NSW?**

# ACCESS & EQUITY

**“the long term social, educational and economic outcomes for children from disadvantaged backgrounds, and/or who have special needs, are enhanced..”**

(Outcome from the NSW Early Childhood Policy)

There are large numbers of children with special needs in relation to child care. Aboriginal children make up 3.5 % (15,347 in total) of 0-4 year olds, children with a disability represent some 4.4 % of 0-4 year olds, and the children from non-English speaking background represent a much larger group – some 20% of 0-5 year olds. None of these groups have access to children’s services at the levels in which they are represented within the target population.

*“We have been told that a disproportionate number of children in socially disadvantaged families are currently unable to access ECEC services due to financial, linguistic, social or geographical constraints.”*

***(Foundations for Learning: A New Vision for New South Wales? Issues Paper March 2002 )***

It is generally agreed that around 15- 20% of children in NSW miss out on a preschool education. *(Standing Committee on Social Issues – Foundations for Learning; Hayes, A and Press, F, OECD Thematic Review of Early Childhood and Care Policy Australia Country Notes, 2001; NSW Children’s Services Forum, Submission to the Inquiry into Early Learning Difficulties, 2001; Vinson, T, Inquiry into the Provision of Public Education. 2002)*

Many of those who miss out are the very children who would benefit most from preschool experience in the year before school.

## Additional Needs Funding

The mechanism for promoting inclusion of indigenous children, children with disabilities and children from culturally and linguistically diverse (CALD) backgrounds has been through the provision of special funding relating to numbers of children meeting the criteria in the service. This funding was frozen in place for over ten years, creating inequities over time as the funding failed to follow new children entering preschools. It has now been drawn back from services and a new process developed to distribute the funding through a regional brokerage system.

While there has clearly been a need to redistribute these funds, there are major concerns about this process. These include:

- The funding is insufficient to meet the needs for additional support
- The new criteria mean that funding has to extend further (including a new category - challenging behaviours, and another service type – vacation care)
- Regional inequities have not been addressed (at a regional level funds have not been drawn back)

At this point in time it is not possible to accurately state the impact of the new funding model, but predictions are that the funding for individual children will be insufficient to provide an appropriate level of service, that specialist support staff will lose positions, that there will be regional differences in how the funding is distributed resulting in inequities across the state and that many children will miss out on funding altogether.

There is huge anxiety at the service level about the impact of the new process on their ability to be inclusive and to provide appropriate services to children.

## Indigenous Children

There is strong support for independently incorporated Aboriginal Early Childhood services from Aboriginal communities. Identified preschools are seen to have the following benefits:

- Higher levels of Aboriginal staffing
- More culturally appropriate programming
- Increased participation from parents and carers
- Greater likelihood of health problems (e.g. otitis media) being identified early
- Access to the community and the culture is facilitated
- Identity is strengthened, especially language and ties to country

*“Our kids are more likely to get assessed when they use the Koori preschool, than if there is a mainstream service. Parents still get worried that children will be taken from them. When its an identified preschool, there is more confidence and support through the Aboriginal staff working there and from the Community. Added to this is the fear many Aboriginal people still have of the health system. We don't feel confident to use the mainstream services so, it adds to the barriers to good health and potential for learning. Especially for our children”*

**(Robyn Dundas)**

*“Getting the learning and access about these things while children are young, it makes a big difference for them.....You hear stories about kids being expelled in kindergarten and year one. That's not what we want for our Communities and our kids. We want them strong and proud and knowing where they belong.”*

**(Glenda Bell)**

Mainstream services have limited access to a support program to assist in the inclusion of children from ATSI background. The successful inclusion of these children hinges on the fact that the program can adequately reflect and include culturally appropriate and sensitive programs. The lack of indigenous staff in mainstream services has been a barrier to the inclusion of ATSI children in mainstream services..

## Children with Disabilities

Families with children with disabilities, especially those with young children, often do not require work related care but are looking for services that can provide integrated and well supported early childhood experiences.

Preschools have traditionally met that need for 3 and 4 year old children with disabilities through the provision of additional staffing support and through strong links with other early intervention services. Preschools have also provided the opportunity to identify the early intervention needs of children. Concerns currently relate to the ability of services to be adequately staffed and resourced to meet increasing need and provide appropriate levels of service, especially given the known benefits of providing at least two years of preschool for many children with disabilities.

## Children from Culturally and Linguistically Diverse Backgrounds

Multicultural programs promote social justice and community harmony; they benefit all children in children's services.

New South Wales has a large population of children from Culturally and Linguistically Diverse Backgrounds (CALD) whose families can find it difficult to access preschools, particularly those located in urban non-coastal and rural areas. According to the Productivity Commission, in 2000/01, children from non-English Speaking Backgrounds represented only 5.2% of children attending preschools in New South Wales, compared to 15.3% for Commonwealth approved childcare services. (*Productivity Commission, Report on Government Services 2002, p.763-765*)

### Quality Children's Services (including Preschool) Programs:

- Value the diversity of families, children staff and the community.
- Develops in consultation with the families and staff the philosophy and goals of the service.
- Develops programs that include and value the culture, religion and language of the families, staff and the community.
- Recognises that children come to the service with prior experiences already and knowledge of the world around them; and that the staff continues to support and expand in positive ways children's past experiences.
- Recognises that Multicultural/Anti-bias programs will benefit all the children, staff and families of the service.
- Recognises that a Multicultural/Anti-bias, inclusive Program in areas where there are few or no children from *Culturally and Linguistically Diverse Backgrounds* (CALD) will benefit those children in understanding the world around them.

### Support for Children with Additional Needs

The new SCAN funding process is yet to be tried and evaluated as an affective process or funding source for the preschools of NSW to support the language and cultural needs of children and families from CALD in accessing the preschools in their area.

The *Scheme for Children with Additional Needs (SCAN)* under Level 1 and Level 2 may be too low to effectively support children from CALD Backgrounds by assisting staff to develop programs and implement training to support Multicultural/Anti-bias programs, philosophies and practices.

If a child from a CALD background is not supported in terms of home language maintenance and the recognition of his or her culture and/or religious background the child is in danger of being excluded from the program. The child may develop a lack of self-esteem and behavioural problems

Research on brain development has shown that positive experiences early in life such as those provided by quality preschool, promote children's development and play an important role in enhancing the emotional resilience and learning abilities throughout their lives. There is no provision for prevention built into the SCAN model.

There is no provision for community development to build relationships with organisations and promote the service to ethnic communities.

## **Recommendations:**

- **That new places be funded in high needs areas and new release areas to ensure that early childhood experiences are available for pre-school aged children in NSW who currently have no access to existing children's services.**
- **That a substantial allocation of additional funds be made to the Additional Needs funding pool to ensure a smooth transition to the new model and to enable services to provide appropriate services to all children with additional needs.**
- **That additional places be made available for Aboriginal children in identified services with increased funding levels to enable the provision of culturally appropriate programs.**

## **Questions:**

- **How will your party ensure that preschool education is accessible to children 4 years of age in NSW?**
- **How will your party increase the percentage of four old children attending preschool across the State?**
- **How will your party ensure that children from culturally and linguistically diverse backgrounds have access to preschool education at the levels in which they are represented within the target population?**

# RURAL ISSUES

**“The NSW Government recognises that good quality children’s services can play a particularly important part in improving the lives of children ... in isolated rural and remote ... communities. In line with its social justice principles, the Government’s funding priority is to assist children from these backgrounds to gain access to good quality early childhood programs.”**

*(One of the desired outcomes of the NSW Government’s Early Childhood Services Policy October 2000)*

In 1994, the Joint Working Party Report to the Minister for Community Services revealed that community based preschools in rural areas did not have sufficient funds to enable them to operate effectively. The report stated, “Through the history of the Children’s Services Review, it has been evident, and is still current, that a great majority of preschools are operating under financial difficulties. The majority of these services are in rural areas.” *(1994 Joint Working Party Report to Minister Implementation of Review of Children’s Services)*

In the last eight years, the State Government has not made any significant attempt to address the historical funding inequities that exist for preschools located in rural areas.

While the NSW Department of Community Services claims that it has given cost of living increases to preschools and allocated \$2.5million in 2001 of which 50% funds went to a select sample of rural preschools, it is arguable that the Department’s approach to funding has been little more than band-aid and random attempts to address the systemic and chronic under funding for rural preschools.

Therefore while the problem of under funding for community based preschools is a state wide issue, the problems are exacerbated for preschools services located in rural areas.

## What are the particular issues for rural services?

Preschools in rural areas, not only struggle with historical under funding from the State Government, but they are also more likely to experience difficulties in service delivery due to the following factors:

- fluctuating numbers of enrolments from year to year in the community and the challenges of the financial resources of the preschool to accommodate this
- an inability to gain financial benefit from economies of scale (For many services becoming larger is not an option as the population in that community is simply too small to sustain a larger service.)
- where there has been significant population growth, new places have been offered without access to additional funds from the government thereby making the places more expensive to run
- increased costs in some components of delivering services – in particular high costs in relation to training and professional development ie replacement staff, travel and accommodation (Many preschools in rural and remote parts of NSW are not able to allocate sufficient resources to training and professional development which impacts on the services that children may receive.)
- providing appropriate transport for children to attend the service. (Preschool children do not qualify for (free) school bus travel and so accessing preschool is reliant on parents/ carers being able to drive their child/ren to the preschool. This may involve significant distances 30-50km or more each way. The majority of services do not have the funds to establish their own bus service though in some areas this would significantly help with improving access for isolated children. State funded mobile services also experience the same problems of under funding.)

- attracting and retaining qualified staff. (While staff shortages in the early childhood field is a state/nation wide issue, the problems are more severe in rural areas.)
- small preschools licensed for under 29 places for 3-5 year olds have found that they have not had sufficient funds to sustain an early childhood teacher/director (This position has been filled by a staff member with the minimum qualifications under the regulations of two year vocational diploma qualification. This means that children enrolled in a small preschool are potentially disadvantaged by not having programs delivered by early childhood teachers. Research shows that outcomes for children are improved by staff holding higher [university] qualifications.)
- increased competition from federally funded long day care services which are able to offer better fee subsidies for families on low incomes.
- services located near the Victorian and Queensland borders also face increased competition from services over the border which charge lower fees for preschool.

It is well recognised community based preschools play a vital role in building the social capacity within rural communities. This role is becoming even more important as other services are being eroded. To lose a community based preschool in a town, not only represents the loss of services for children and families but also a loss of significant and highly valuable community infrastructure.

## How will rural preschools continue to survive?

To remain viable and keep fees at the lowest sustainable level, many preschools have whittled away their budgets and provisions. Many preschools are now running on empty and without a significant injection of government funds, they will have no alternative but to increase fees. (There is little more that they can cut from their budgets.) However, to increase fees now comes at the worst possible time as the effects of the State wide drought impact on families and communities. This means that even more children may not be able to access preschool.

## Recommendation:

- **That the government takes urgent action to address the historical and systemic funding inequities for community preschools: funding inequities that arguably most severely disadvantage children living in rural and regional NSW.**

## Questions:

- **How will your party ensure that all children in rural and regional areas can access at least two days of preschool at an affordable level?**
- **How will your party ensure that all children can access a preschool program delivered by an early childhood teacher regardless of the size of the service?**

# IMPACTS ON QUALITY

**“The aim of the NSW Government’s early childhood services policy is to provide a focus on the importance of the early years of life through a system of good quality children’s services...”**

*(One of the desired outcomes of the NSW Government’s Early Childhood Services Policy October 2000)*

## Shortage of Qualified Staff

Research over several years has identified staff qualifications as being one of the most important factors contributing to quality services for young children. The difficulty in recruiting qualified staff in children’s services has been gradually increasing over the past few years and is now one of the most serious issues confronting the early childhood field today. Many service providers have reported that they have been unable to fill vacant positions requiring qualified staff. This then impacts on services in several ways such as:

- lack of continuity for children, families and staff (which can be exacerbated further if the service is unable to find suitable relief staff on a daily basis in this interim period)
- increased costs for the service for repeated advertising
- more strain on management committees in terms of their time and effort in finding suitable staff; and
- more responsibilities placed on the other permanent staff in the service.

The situation is even more difficult for services in rural areas where it is harder to recruit qualified staff than in larger urban areas. Over the last twelve months, the Forum has heard many anecdotal reasons for this current staffing crisis such as:

- poor community perceptions on the status and standing of children and those involved in their care and education;
- a perceived lack of status for early childhood teachers compared to teachers in other educational settings;
- the high staff turnover rate amongst children’s services staff and “burnout”;
- lower rates of pay for early childhood teachers in prior-to-school settings, compared to teachers with the same qualifications in school settings and the inability of the children’s services community based sector to match these salary costs;
- the increasing complexity of staff’s roles and responsibilities in working with young children and their families;
- greater administrative and legislative accountability; and
- the isolation of children’s services staff compared to the support received in larger educational institutions.

In the latter part of 2001, the NSW Office of Childcare commissioned a research project to examine this issue; however, we are still waiting for the findings of this project to be released.

For services unable to meet licensing requirements due to staffing shortages, the Office of Childcare introduced a policy in May 2002 as an interim measure. Whilst this strategy assists services meet regulations in the short term, it does not address the underlying issues in the longer term.

If the current staffing shortage continues and the children's services sector is unable to attract and retain early childhood qualified staff, then this will have serious implications for young children in NSW. If services are unable to meet basic licensing requirements, which are minimum standards only – what then does this say about the quality of children's services in NSW?

## **Lack Of Access to a Quality Improvement and Accreditation System (QIAS) for State Funded Pre-School Services**

Unlike long day care services, state funded preschool services in NSW do not have access to any quality assurance and accreditation system. In 1999, the Australian Early Childhood Association (NSW) Branch wrote to the then Minister for Community Services, the Hon Fay Lo Po', drawing her attention to this. As a result, the Minister gave AECA a grant of \$110,000 to conduct a pilot study for state funded preschool and occasional care services using the Commonwealth Government's *Quality Improvement and Accreditation System*. The project was conducted from March 1999 to January 2001. The full report (including recommendations) was forwarded to DoCS, however, to date, there has been no response from DoCS.

## **Professional Development Opportunities**

Many preschool services are not able to afford to set aside sufficient funds in their budgets to enable staff to undertake training and professional development within work time. Staff also have limited non-contact time for curriculum planning and development as well as networking within their local area. This then impacts on the quality of the service provided to children and their families.

## **Recommendations:**

**That the NSW government:**

- **Take a more active part in enhancing the status and standing of young children and those caring for and educating young children**
- **Makes a substantial contribution to the salaries and professional development costs of early childhood teachers working in prior to school settings in order for them to be on par with teachers in school settings.**
- **Makes a firm commitment to state funded services to introduce a quality improvement and accreditation system.**

## **Questions:**

- **What steps will your party take to address the shortage of qualified staff in prior-to-school settings?**
- **What commitment does your party have towards supporting the salaries and the ongoing professional development of qualified early childhood teachers working in prior to school settings?**
- **How will your party ensure that state funded services have access to a quality improvement and accreditation system (QIAS)?**

# The social and economic value of preschools in local communities

**“Early childhood services like preschools ..., play a vital role in the lives of children, in supporting families with their work and family commitments and in building strong communities ... ”**

[Foreword - Early Childhood Services Policy for NSW]

If preschools in NSW remain under-funded, it is more than these valuable, universal education and care services for children that will be lost. From a broader perspective, community preschools are facilitators of networking, friendships and community activities. They are representative of local institutions that all levels of government now recognise as generators of social capital - crucibles for the development of self-reliant and resilient communities as well as community leaders.

Preschools are also an important part of the local economy. They allow parents to pursue employment and training opportunities as well as providing employment and supporting local small businesses. They allow smaller communities, **especially in rural areas**, to remain viable.

Preschools can play a more substantial role in the current effort to develop a more effective community service delivery system in NSW, particularly across prevention and early intervention activities.

In the current situation, there is the potential that the preschool infrastructure in NSW will be lost or will be sub-optimal. It would be negligent for the NSW Government to let these services wither on the vine.

## Preschools as children’s services

The importance of education and care to the development of children of all ages, and to the well-being of society, is currently a major theme of social debate. The Australian community and governments are increasingly aware of the importance of investing in the early years of life, as the experiences of childhood are a major factor in the eventual well-being of the individual adult as well as the level and type of their contribution to society.

The education and care of children from three years of age to school age is generally seen as the main function of preschools. Preparing children for the transition to school and providing opportunities for socialising, making friends and learning with other children of their own age are important activities. Preschools are one education and care strategy, out of many valuable service delivery strategies, that meet the needs of children and parents as well as serve the interests of the wider community. Parents and children need this **choice** of early childhood service.

## Preschools as grass-roots, self-help organisations

Community preschools are also great examples of local grass roots, self-help organisations which take on the operation of a crucial community service. They are social institutions that have always been one of the pillars of the local social infrastructure. They usually have long histories and are respected and trusted organisations. Their non-profit status enhances this trust and respect.

There is now much discussion about the importance of ‘community’, ‘social cohesion’ and the problems which arise from ‘social exclusion’. Governments at all levels are paying attention to the concept of ‘social capital’ and the need for trusting, reciprocal and mutually beneficial relationships in local communities.

There are many dimensions to strong and positive community relationships including a sense of belonging, a sense of inclusion, a sense of participation, a sense of being able to make a difference. Social institutions such as preschools are places where these relationships are nurtured.

Preschools provide numerous opportunities for community members to work together to meet challenges. As well as being a crucible for the development of local leadership they provide opportunities for people, particularly women, to gain knowledge, skills, confidence and experiences that help them in other life roles such as employment, family relationships and volunteering.

Other government departments recognise the value of community based services and have instituted programs to facilitate their development. Cabinet Office's Families First initiative has a strong underpinning of social capital theory. The Premier's Department's Capacity Building and Community Renewal initiatives, through the Strengthening Communities Unit, have a clear 'social capital' focus. As well as funding and facilitating the delivery of children's services, governments are taking a facilitative role in the development of community infrastructure.

The NSW Government's Early Childhood Services Policy recognises the importance of community based services, but their practice in this instance lags well behind policy and is acting against, or at least ignoring, the example of lead government agencies.

Preschools as a critical part of an effective community service system

Under-funding also threatens the development of a more comprehensive service delivery system in NSW. As the NSW Government comes to grips with the failures of the child protection system, it will be looking for a greater emphasis on prevention of social problems and, where problems do occur, a greater emphasis on early intervention, both for individuals and for communities 'at risk'. Preschools have a role to play in this system.- a role that has so far been under-used and poorly articulated.

The care and education of children is now seen as a major social issue. The current under-funding problem in NSW preschools threatens the actual and potential contribution that community preschools can make to local communities. Many preschools have been and will be forced into making decisions that will reduce the level of service delivery and even threatens their quality of service delivery and very existence.

The potential in the current situation to limit or lose preschools as a choice for the care and education of children is bad enough. To limit or lose the valuable role these services play in nurturing and maintaining strong communities would be negligent.

## **Recommendation:**

- **That the NSW Government properly funds and implements the *NSW Early Childhood Services Policy* to ensure that children's services are able to provide good quality, accessible and 'consumer relevant' services which are effectively managed and are active participants in a comprehensive and effective community services system.**

## **Questions:**

- **What is your party's commitment to ensuring that parents and children have a choice of child care and education arrangements?**
- **What is your party's commitment to supporting children's services to ensure they are of good quality, well managed, up to date on early childhood practice matters and active participators in the community service system?**

# Case Studies

*The following 2 case studies are taken from a set of 9 interviews conducted by 2 final year Early Childhood students from Macquarie University while on placement with the Council of Social Services of NSW. While the individual circumstances of the 9 preschools studied varied, they almost invariably commented on the things evident here – the difficulty of administering the affordability policy, the value placed on preschool by parents, their strong links with other early childhood services and the need for better support for management committees. Interviews were conducted with the Director of the services and also with a parent committee member.*

## Preschool D

**Preschool D** is a community-based preschool that operates on the New South Wales Central Coast. Its hours of operation are between 9am and 3pm, offering full day programs, with four different patterns of attendance. These are Monday and Thursday; Tuesday and Wednesday; Monday, Thursday and Friday; Tuesday, Wednesday and Friday. Therefore most children attend either two (2) or three (3) days, with very few attending four (4) or five (5), and most 3-year-olds attending only the one (1) day a week. The service is licensed for fifty (50) children per day, and there are currently one hundred and nine (109) children enrolled.

The preschool offers a transition to school program, special needs service, parent library, parent training evenings, information evenings, as well as being involved in community social activities on a regular basis that often are held in their building. There is a large parent involvement in the service, this is seen through a management committee, parent roster, open door policy for families, parent library, fundraising committee, parent duties revolving around specific areas of the service and its maintenance, family functions held at the service on weekends for those working parents who cannot attend during the week, and a parent lobby group.

There are eight (8) staff members employed at the preschool who work the following hours:

1. Teaching Director, Early childhood teacher – Full-time
2. Early childhood teacher – Full-time
3. Early childhood teacher – Casual (2 days per week)
4. Advanced Childcare Worker – Full-time
5. Advanced Childcare Worker – Full-time
6. Advanced Childcare Worker (untrained) – Full-time
7. Clerical Assistant – Part-time
8. Untrained Assistant – Casual (4 hours per week – special needs assistant for high dependency child)

The full cost of running the service is \$278,287 with only \$95,000 being funded by the Department of Community Services (DoCS), leaving the service to make up the remainder through fees and fundraising. The service is finding it harder and harder to fundraise as the management committee feel it is difficult to ask families to pay fees as well as contribute to fundraising efforts. As a result of this, the service only raised \$4,000 last year through fundraising. Another difficulty the service has is that when the freeze of funds occurred they were not actually receiving any additional needs funds, therefore they have not received additional needs funds since and are forced to struggle with special needs children, without the necessary supporting funds.

The main cost driver in the service's budget is wages, followed by buildings and grounds maintenance and rates, however the current public liability issue has meant that a larger section of their budget is being spent on financial insurance and worker's compensation.

The service has a dilemma when it comes to working out the range of fees and who will receive them. Approximately 90% of the preschool's families are eligible for economic subsidy, however the service is only funded for twelve (12) families. Although they do manage to allow a small number of additional families economic subsidy, it depends on the money in the budget. At the moment, the preschool not only offers the traditional four tiers of fees, but has an additional tier for families in dire straights, where the fee is only \$6 a day.

The families of the service are divided into the following fee groups; three (3) families on \$6 a day (24 are eligible), ten (10) on \$11, two (2) on \$14 (25 are eligible) , four (4) on \$16 (27 are eligible) and the remainder on the full fee of \$18 a day. This fee has been increased at a steady rate of \$1 a year for the past five (5) years (a 38% increase).

As mentioned, the service cannot offer many more than the twelve (12) families they are subsidised for, a reduced fee. As a result, there is a great deal of pressure placed on the service to choose who receives the subsidy, and due to the high number of low income families the preschool has adopted a first in best dressed policy, to try to make it as fair as possible for an already struggling community.

The director spends twenty-four (24) hours a week teaching, an additional thirteen and a half (13.5) hours managing, and a further five (5) hours a week shared between preparing and fundraising duties. On top of this time spent at work, she also spends up to ten (10) hours a week on management duties and an extra three (3) hours on preparation, outside of normal working hours. In addition to this, most staff attend the preschool during school holidays, referred to as 'non-teaching weeks' in order to catch up on work and prepare for the following semester, as there is not enough hours in a day, or staff in the service.

The preschool has limited resources as the budget does not allow for the expenditure they would like on resources due to the cost of day-to-day maintenance of the service. There is also limited funds in the budget for staff training. There is a specific amount of the budget for training, however once this runs out staff are forced to pay for themselves and undertake the training in their own time. It was also a concern of the service that the rising cost of staff training limits the amount they can attend, as the budget gets tighter each year.

In order to gain an understanding of the needs of families and children in the community, the preschool sends out a survey to families on the waiting list, and those currently attending to ascertain the preschool needs, and financial needs. In addition to this a representative attends community meetings to gain insights into community issues and how best to support these. The most common findings of these surveys and meetings is that the community would like the costs lowered and as a result they would enrol their child for additional days.

The service also maintains links with other children's and family services to best support the community. One way this is done is through regular director's meetings, attended by directors from the surrounding preschools, all of which are no more than twenty (20) minutes away. At these meetings staff discuss teaching methods, and there is also an emphasis placed on comparing fees between these services, in order to limit competition and allow an even par between services when it comes to fees. The director of this preschool also teaches casually at a local university and is able to get additional support and training through her contact with this institute. The service also has links with an early intervention service, Families First, regular DoCS meetings and committee meetings.

Over the past few years, the service has been forced to drop a special needs worker, and limit the number of part time and casual hours for additional staff to less than three where possible to cut costs. They have also been advised by licensing to drop an early childhood teacher in order to make the budget look better. The service has refused to do this and would rather operate with a tight budget than lose a qualified staff member, resulting in a drop in the level of quality care offered.

It was suggested that some difficulties that arise in managing the service include the lack of freedom within the budget. The increased cost of the service and increased fees limit the assistance the service could provide to families, especially when it comes to subsidised fees. It is also a concern that they are unable to offer additional days for respite care for families in need. Another concern is that the tight budget does not allow for the office work to be completed on time, as there is no money to employ a full-time office person, or allow the director an additional day in the office and away from face-to-face teaching.

In order to make things better this service would like to see adequate funding for families so that all eligible families can get a fee subsidy, and the service can meet the needs of the community with affordability without having such a tight budget. The families need funds as so many of them are in dire straights and the current economic subsidy system is not fair and equitable, and that is all they want to be able offer to their families.

### **The parent perspective:**

Preschool D's Fundraising Officer chose to send her child to preschool as it allows parental involvement, community involvement, staff consistency, teaching quality with a early childhood teacher in each room, more relaxed staff working shorter hours, continuity of classmates across the day and the year, school readiness, public education and it was the only form of child care where she felt she could have a say in her child's education and care. She currently has a 4- year-old attending and is happy with the number of hours he attends, although would add a third day if the fees became cheaper.

She became involved in the management committee because she saw the importance of being involved in children's education and care. Through communication with the director she became the fundraising officer. The volunteer role takes up roughly twenty (20) hours a week, as she is also involved in the overall running of the service, and recently helped build the outdoor area.

When asked to rate the top three challenges the service faces, the top one was balancing the budget and making the service financially viable as there is simply no money. The second greatest challenge was addressing the rising costs of service delivery due to the costs of wages and insurance. The third greatest challenge was split between managing the service and attracting and retaining children and families, this was attributed to the lack of affordable fees, and despite the fact families want to send their children, they cannot afford the rising costs of fees.

In order to help the service improve, it was suggested that there be a fair money policy, whereby if the service has to increase the costs, then the funding provided to the service should also increase to match the budget. The general day-to-day running of the service, with adequate resources, playground and equipment maintenance and affordable fees are being sacrificed because there simply is not enough funding. Therefore she suggests that the best way the government can help is to provide adequate funding to the service.

# Preschool I

**Preschool I** is a community-based preschool located on the New South Wales, Victorian border. The service is open four and a half (4.5) days a week, with the hours of operation being 9am to 3.30pm Monday to Thursday, and 9am to 12pm on Fridays. The service is licensed for forty (40) children per day, with ninety-nine (99) currently enrolled. The preschool has both full day and sessional programs for the 4-year-olds, and offers only half day sessions for the 3-year-olds.

There is a fairly high parent involvement including a management committee of eight (8) to ten (10) people. There is also a parent roster, a duty session, and the preschool hosts social gatherings on weekends and during evenings for parents who work fulltime and for this reason cannot be an active part of the service.

The preschool has six (6) staff members who work the following hours:

1. Untrained assistant – Full-time
2. Untrained assistant – Thirty-two (32) hours per week
3. Teacher – Thirty-six (36) hours per week
4. Teacher – Thirty-two (32) hours per week
5. Teacher – Eight (8) hours per week
6. Office assistant – Six (6) hours per week

The full cost of the service is \$178,483 of which \$88,900 is received from the Department of Community Services (DoCS). Approximately \$8,000 is raised through fund-raising over the year. The main cost driver within the service is staff wages, and the preschool does not currently separate base and affordability funding.

The service offers different fees for 4-year-olds and 3-year-olds due to the shorter attendance sessions offered to the 3-year-olds. The following displays the fee for each age depending on the income tier of the family:

<b>Tier</b>	<b>No. of 4-year-olds</b>	<b>Fee per term</b>	<b>No. of 3-year-olds</b>	<b>Fee per tem</b>
1	six (6)	\$126	four (4)	\$70
2	five (5)	\$147	one (1)	\$84
3	five (5)	\$168	two (2)	\$98
4	forty-three (43)	\$210	thirty-three (33)	\$140

The service has difficulty offering the economic subsidy to all families due to the number of families who qualify and the small amount of money to be shared out. All eligible families receive some level of subsidy however tiers one (1) and two (2) are worked out first, then the service decides how much is left for tier three (3). This then means that families on the first two (2) tiers receive a greater economic subsidy. The main difficulty in administering the affordability policy is having parents applying for economic subsidy as they are eligible, however they still have difficulties paying the subsidised fee as it is still too high for their budgets. The fees in this service have risen \$50 per term over the last five (5) years and the service has stated they will rise more next year.

The director spends twenty-eight (28) hours per week teacher, and an additional eight (8) hours managing and four (4) hours preparing. Much of this is completed on Friday afternoons as there is only a morning session that day. On top of this she spends roughly two (2) to three (3) hours a week on management duties and an additional one (1) to two (2) on preparation duties in her own time.

The service is lucky in that they have access to most of the resources they need. As this service is on the border, most of their resources come from Victoria more than New South Wales. Staff training is an area where they are not so lucky as very little is offered outside of Sydney, therefore the costs and travel

involved make it a rather expensive exercise. For this reason staff are expected to undertake training in their own time, despite the fact that relief costs are budgeted in.

The service monitors the needs of families through parent surveys which cover topics such as hours, fees and fund-raising. The service also communicates with the children's health nurse to ascertain feedback from families on their needs.

In addition to this, the preschool also has links with local schools, including those in the border town in Victoria, the local shire council and the local region health service. Through this health service the service can obtain special needs therapists.

The service has been forced to consider changes for next year in order to cut costs. This includes the cutback of hours for a more mature, experienced teacher, and employing an additional third teacher on a lower wage scale. This has become an issue as the service struggles with covering the wage increases for qualified teachers over the next three (3) years.

The biggest difficulties concerning the management of the service revolve around the location of the service in a border town. Preschools in New South Wales and Victoria are funded differently and parents are confused as to why New South Wales fees are almost double those of preschools in Victoria.

Ways in which the service could be improved include additional funding, an increase in rural in-servicing and a general increase of support to preschools.

### **The parent perspective:**

Preschool I's Management Committee President chose to send her children to preschool as she felt it was good for them because they interacted with other children and they also gained an understanding of school. She is happy with the number of days her child attends and does not use any additional services.

She became involved in the management committee as there was a lack of people volunteering and as she had been president when an older child had attended the service she was placed in that role again. The position takes up roughly six (6) hours a week on average. In addition to her duties as president she also assists with fund raising and fruit duty, and occasionally helps out as an assistant if the service is short staffed.

The biggest challenge the service faces is balancing the budget. This is due to the increase in wages that the service cannot afford, and there is no additional funding from Department of Community Services (DoCS) to cover these increases. The service has also made the decision not to fund raise to cover wages.

A way in which the president suggests the service could be improved is through additional funding and an increase in support from DoCS. She feels that DoCS does not really seem to understand the pressures the service is under. Another help would be a qualified bookkeeper as the volunteer committee are unqualified so it is a big responsibility to make them financially accountable for the preschool. In order to do this it is suggested that the government could provide a lot more additional funding to the preschool, and also allow the preschool more communication with government departments to get sufficient feedback.