

EDUCATION AND CARE SERVICES NATIONAL LAW (WA) BILL 2011

Second Reading

Resumed from 6 March.

HON SUE ELLERY (South Metropolitan — Leader of the Opposition) [5.07 pm]: I rise to indicate our support for this legislation. Members may be aware that as a result of the significant changes proposed to early childhood, which began when Kevin Rudd was first elected Prime Minister back in 2007, each state is required by the terms of the Council of Australian Governments National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care to pass state legislation to give effect to the changes in the childcare sector. This is across standards in care, staffing qualifications, the physical environment, education programs and practice, safety compliance and monitoring. The changes arise as a result of implementing the national quality framework that was agreed by COAG. The changes will apply to long-day care centres and family day care. The bill sets out the broad framework and the more detailed prescriptive requirements within what is called the national quality standards, which will be set out in regulations. Historically, Western Australia has led the nation with respect to staff-to-child ratios within child care. Indeed, for decades now our regulations have been ahead of the rest of the nation with respect to compliance and monitoring. Other jurisdictions in Australia are coming off a much lower base than WA. It is anticipated that although there will certainly be some cost impacts in WA—there has been some work that I will touch on in a minute—they will be far less than those in other jurisdictions.

The bill before us provides regulation-making powers. The specifics of staffing ratios, for example, will be set out in those regulations. The national body that is overseeing this has sent every childcare provider across the country a copy of the provisions to be set out in the regulations. The interpretation and implementation guidelines are available on the Australian Children's Education and Care Quality Authority's website. However, cost increases are associated with, amongst other things, the high level of qualifications. Fifty per cent of staff will need to have a certificate III. There will need to be a degree-qualified teacher on staff as well. There has been some media attention over the past couple of months, particularly from the private providers of long-day care in WA, about the cost impact that would be passed on to parents. The new regulations will require there to be 100 per cent staff coverage in each room all day, which means providing cover over staff lunchbreaks, for example. That provision, in particular, attracted some concern from the private for-profit sector.

The second reading speech refers to a cost increase of \$1.83 per child per day. For a child in full-time care five days a week, that is \$10 a week. The childcare funding arrangements provide that half of the fees are subsidised by the commonwealth government, so parents would be out of pocket by around \$5 a week, depending on how much of the subsidy they get. Different modelling has been done on what those costs will be, and I would welcome further comments from the minister on what she anticipates those costs will be, based on the modelling that the state has done, and I invite her to table that modelling to demonstrate what the WA government's view of the costs will be. Some work has been done by the Australian Productivity Commission, but I understand that other modelling has been done as well. It is fair to say that the sector is divided about exactly how high those costs will be.

There is also some concern—I will touch on this as well—that the workforce is not available to meet the required changes in staffing. It is important to understand the structure of the childcare industry. Long-day care is provided by community-based not-for-profit centres and by private commercial operators. Within the private commercial operator sector there are organisations such as Goodstart Early Learning, which took over the ABC chain and Cuddles childcare centres, and smaller family businesses that may have one or two centres within their business. In WA, the community-based not-for-profit sector and Goodstart, which is a for-profit organisation but is run by a consortium of non-government organisations, have been working towards these changes for the last three years, and most of the really good centres will have already made the changes; they have anticipated the changes, particularly the qualifications required of staff. All the evidence points to those higher qualifications leading to a better education and care outcome for the children in child care, which is what those providers want. Most of them, if they are not meeting those criteria already are pretty close to that and are encouraging all their staff to get the higher qualifications. However, there are those organisations that continued to employ the younger, less qualified or, in fact, unqualified staff and have not geared their staff up to get the certificate III and are only just coming to the changes that need to be made. For them, the cost jump is going to be higher because they are coming off a lower base with their existing payments.

No-one—private or community based, long-day care or family day care—is saying that the bill should not pass. Parents, providers and the unions want higher standards of care, stronger monitoring and compliance and a stronger educational base for child care. Parents made that perfectly clear in the consultation that the Carpenter government did when my colleague Hon Kate Doust chaired a review into our regulations. Parents made it

perfectly clear what they wanted: the best possible quality care for their children. They indicated in the survey they were asked to complete that they were prepared to pay for better outcomes for their children. However, there are tensions here. The financial position of many families now is different from what it was when that survey was done, probably back in 2006. The private sector has asked the minister for a longer transitional period for the 100 per cent coverage over lunchtime, and I understand the minister has given that commitment. It is really important that we acknowledge the many issues at play when it comes to ensuring that we are able to deliver on the policy outcomes these changes are designed to have.

One of the issues that is facing the industry, which I think that we need to take note of, is the real challenge in getting the workforce that we need to deliver these changes. To that end, the union, United Voice, has been engaged in a campaign for some time now to lift the wages of those people who are its members and who work in child care. I was pleased to be invited by it to attend several of the campaign meetings it held in childcare centres across WA. I attended meetings with many of its members and meetings that were also attended by parents where the message was clear: people, whether parents or staff, wanted to provide the best quality care, but they were not able to do it on the kind of wages that they were being paid and people were being forced out of the industry. That was not because they did not want to work in child care but because they could not afford to pay their bills and work in child care. The turnover of staff in an industry in which people are leaving the sector then goes on to create problems in quality of care.

Child care is a bigger industry than many people think it is. When the Productivity Commission did work into the early childhood development workforce, it said that the sector itself provided early childhood education and care services to over 1.5 million children. It talked about a workforce of about 140 000. The Productivity Commission said that it anticipated that changes were going to result in the need for about 15 000 more workers than were currently available, and it made the key point that the average level of workers' qualifications will need to increase and, to meet this additional demand, wages for the more highly qualified education and care employment categories will need to rise as well. It also made the point that the supply of suitably qualified staff was likely to take some time to be able to be built and that time lines for reform needed to be adjusted to take that into account.

When we have increased demand for qualifications, we have increased demand for vocational education and training. The Productivity Commission said that unless existing concerns surrounding poor quality training are addressed, much of any increased investment in vocational education and training could be wasted. It said that, as a priority, there needed to be a significant investment in training to ensure that could properly be delivered.

The Productivity Commission made the point that the increase in early childhood education and care services due to labour cost increases flowing on from a requirement to have more highly qualified staff is mainly to be shared between government and parents rather than the workers and providers. Under existing subsidy arrangements, there will be reduced demand for long-day care services than there would be without the reforms as a result of higher costs faced by parents.

I wanted to touch a little on a document that I have referred to before in this house. It is one of the first documents produced by United Voice in its campaign "Big Steps in childcare" around the workforce situation. United Voice says that the key driver for what it describes as a profound workforce crisis is the low pay of childcare educators. They make the point that childcare educators provide the foundation for a child's education, offer invaluable support to families and are the cornerstone of greater workforce participation; that is, of course, because if children are being properly cared for in child care, their parents are able to participate in the labour market. But despite those contributions, the workers remain poorly paid. The low wages, which are barely above minimum wage, mean that many skilled, dedicated childcare educators simply cannot afford to remain working in the sector. United Voice said that in Australia today an estimated one million children attend government-supported early childhood education and care programs. The dominant part of that sector is long-day care, which is attended by over half a million children. It makes the point that some 58 631 people are employed in primary contact roles within the long-day care sector alone. It goes on to refer to high turnover due to low wages, lack of opportunities for career progression, the expectation on workers to perform unpaid labour, an absence of pay parity between early childhood education and care workers and the school-based education sector, and lack of adequate programming and staff development time.

The new national quality standards incorporate continuity of care as an assessable quality standard, and shortages of qualified staff and high workforce turnover disrupt these relationships, resulting in high levels of stress for children and staff. The "Big Steps in childcare" document tells us that research has shown that stressful environments can have significant physiological, as well as emotional, impacts on children that can later lead to developmental and social problems. A high labour turnover imposes a significant expense on the operator, because the operator is constantly having to re-induct and teach people about the systems in that particular service, which affects the profitability and financial sustainability of the service. The document states that based

on previous studies, the cost of turnover to employers could be as high as 120 to 150 per cent of the annual wage of the departing employee. Business expenses associated with low retention are typically passed on to parents through increasing fee structures, leaving parents bearing the cost of high turnover. The effect on the efficiency of government spending is that both private and not-for-profit centres get most of their money from the government through subsidies paid directly to parents. High turnover means that the government's money is wasted and is not used efficiently for training and quality education and care.

United Voice makes the point that the Council of Australian Governments drive for improving quality, which we all aspire to in child care, cannot succeed unless we properly address the workforce issues. Without urgent action to address the pay of childcare educators to professional levels, the central workforce issues will remain unresolved. The quality reform benchmarks will not be reached if we do not do something about those workforce issues. United Voice calls for urgent government funding to support the wages of childcare professionals. Labour and skill shortages will persist unless that issue is dealt with urgently.

I make the point that in 2010 a certificate III qualified worker could be expected to earn about \$17.46 an hour; it is probably just over \$18 an hour now. At that point, that gave them \$2.46 per hour above the minimum wage. That is how highly we value child care! There are stark differences between the pays of childcare educators and similarly qualified workers in comparable male-dominated sectors. I will take the metal trades professions as an example. A certificate III qualified childcare educator will earn about \$10.11 less an hour than a certificate III qualified metalworker. Of course they are different skills, but those workers hold the same level of qualification. They have had to achieve the same number of hours of practice and theoretical learning. They have had to meet exactly the same kinds of levels of understanding and have been assessed accordingly. They hold the same qualification, but we value a person who looks after children, the most vulnerable in our community, at \$10 an hour less than we value somebody who works with hot metal. That is a sad indictment of how we value the work of those who look after the most vulnerable in our community.

I want to touch on the other report on labour force issues—that is, the Deloitte Access Economics Pty Ltd review of the Productivity Commission's early childhood education and care workforce modelling. That document found that in respect of the demand for and supply of early childhood education and care teachers, the combined effects of universal access and the national quality work result in a significant increase in the number of degree-qualified staff required in the early childhood education and care sector. Reflecting that universal access time frame by 2013 and the national quality agenda timing by the end of 2015 and the assumption that services delay as long as possible in hiring the additional staff required to meet regulatory standards, the required workforce will expand strongly between 2012 and 2015. Under the baseline, or no-policy, scenario, the required labour force will exceed the number of available degree-qualified workers in the sector throughout the period to 2020 and beyond. Deloitte states that as at 2020, a shortage of around 4 000 full-time equivalents will remain. When the existing policies are taken into account, the shortage in 2020 is markedly fewer at an estimated 750. When the potential policies are introduced to the modelling, the required degree-qualified workforce will be achieved at 2019. But of course we are not talking about a system that will wait until 2019; we are talking about a system that will start a lot earlier than that. There are real issues that flow as a result.

I would welcome the minister's comments on exactly what she anticipates the costs will be. Members may have seen some media last week, or perhaps the week before, when United Voice released some survey work it had done on the increases in childcare fees in 2011 and 2012. What it found varied across the nation, but in Western Australia it found that there was a fee increase of 8.2 per cent between April 2011 and April 2012. What is a bit shocking about that is that of that 8.2 per cent increase, between January 2012 and April 2012—that is just three months—there had been an increase of 2.4 per cent. Given the cost-of-living pressures on families across the board, those increases that have already occurred—more are on the way—are putting pressure on people. It needs to be said that that 8.2 per cent increase in fees is at the lower end of the fee increases being experienced across Australia, and that is because, as I said, Western Australia was coming off a much higher base for quality and the child-staff ratios than the rest of the nation. We had led the way for so long. The amount of additional spending that has to be done by WA providers is much less than that being done elsewhere in the nation where those increases have been, in some cases, 11 per cent in the past year. Nevertheless, an eight per cent increase in childcare fees over one year is difficult. A 2.4 per cent increase over three months is also difficult.

I want to touch on the issues that were raised by the stakeholders I met with and the report prepared by the Standing Committee on Uniform Legislation and Statutes Review. The committee received submissions, including submissions from the people I had met with—that is not surprising—the key stakeholders, and I will refer to those stakeholder submissions in a moment. I will briefly touch on the uniform legislation committee report. As usual, in a very helpful way, it sets out the mechanism by which this is deemed to be a piece of uniform legislation. The committee sets out in its report exactly how that came to be. This is a corresponding piece of legislation. The Victorian legislation was, if you like, the model and we are putting our own corresponding legislation in place. There are some differences between the Western Australian legislation and

the other legislation to take account of our particular circumstances. The committee identified a couple of matters that go to its core function, which is to look at how a proposed law may affect this Parliament's sovereignty and law-making powers. It made several recommendations and called on the minister to provide an explanation to the house. I am sure some committee members will speak on that so I will not steal their thunder. However, I look forward to the minister's explanations of those issues.

I particularly want to refer to the submissions received by the committee. They are also the matters that were raised with me when I met directly with stakeholders. The first one is from Family Day Care WA, which is the peak body for family day care services in Western Australia. The critical difference between family day care as it is now and family day care as it will become after the legislation is passed is that there will not be any individual family day care providers; rather, they will all be scheme based. Family Day Care WA says that its members are fully in support of Western Australia adopting the education and care services national law and that it has been working towards the introduction of the legislation. However, it makes the point that —

The legislation will impose a much higher level of responsibilities on Family Day care Services, as the move from a legal requirement for individuals to obtain a Child Care License to provide FDC to a change of situation under the new laws, where FDC Services will be licensed and responsible to approve FDC Educators and make sure the environment and program offered to children is safe ...

As it will be the responsibility of FDC Services, to ensure children will be cared for in the safest environment possible our members, have asked us to write to the committee to highlight concerns we have regarding the legislation.

The first concern relates to swimming pools. I met with Family Day Care WA representatives in January and February. It wrote to the commission at the end of March, so things may have moved on since then, but the issue in its submission was the one it raised with me in January and February. It says —

The National Law (WA) Bill is silent on requirements around swimming pools ...

The members say that that is a result of a compromise in the negotiations about swimming pool regulations. The current Western Australian family day care regulations say that a licensee must ensure that no enrolled child has access to or uses a swimming pool at the place. Under the new law, family day care services will be required to develop policy and procedures on water safety, including safety during any water-based activities. The submission states that the majority of family day care services will write policies that restrict the use of pools by anyone while family day care children are present on the premises, but without the protection of law or regulations to back these up, these policy services will be vulnerable to influence of educators, their family members and others who may feel that restrictions on the use of their pool—bear in mind, we are talking about family day care being delivered literally in a family home—are an imposition on individual rights. There is evidence from some family day care services that that is already happening. Whether or not anyone likes it, a blanket restriction is in place, making things clear. This legislation is silent on the matter and they will be able to develop their own policies. For the most part that policy will be that there is no use of a swimming pool while family day care children are present on the property. But the absence of any prescription leaves it open for somebody to have a different policy. Family Day Care WA says that the way that we will learn that that is not a good idea is when something really awful happens. It is genuinely concerned about that. Family Day Care WA would like the committee and those involved in the passing of legislation—that is us—and those involved in the writing of regulations to consider the high risks surrounding young children and swimming pools and the heightened risks when a pool is on the premises and being accessed and used. Family Day Care WA says that without the protection of legislation, it is possible under the new law that some family day care services may also allow the use of a pool by enrolled children while in care. It says that that is a risk that should not be tolerated under any circumstances. It writes in its submission —

Why will those responsible for the safety of young children in our State, allow a situation where the current safety standard can and probably will be lower.

Until the new National Law, Western Australia has protected FDC enrolled children by having Regulations to ensure their safety while still allowing FDC Educators to have pools on their premises. If it is no longer considered necessary why do the recently reviewed Child Care Act 2007 (as amended 2011) and Child Care Services (Family Day Care) Regulations 2006 (as amended 2011) still contain Regulation 26(1)?

Regulation 26(1) relates to swimming pools. Family Day Care WA strongly recommends —

... that the Education and Care Services National Law (WA) Bill and National Regulations provide safety for young children and contain a regulation that a pool on the approved premises of a Family Day Care Educator cannot be used by anyone while FDC children are present on the premises.

OR

As a minimum to provide a Western Australian – Specific Provision within the Law to maintain the current Regulation 26 of the Child Care Services (Family Day Care) Regulations 2006.

That submission was provided to the committee on 28 March and was signed by Trish Rear, President of Family Day Care WA.

One of the other submissions I want to touch on was provided by Rachelle Tucker from the Child Care Association of WA. I was also pleased to meet with her. The association, too, begins its submission by saying that it —

... supports the intent of the COAG reforms to encourage the sector to continue to provide superior care and early learning for all children in formal care. We are committed to working with the Government to ensure policies to improve the quality of care and the qualifications of the staff caring for them can be achieved. However, we remain concerned that the proposed National Regulations will have unintended consequences for the very children and parents the Government is trying to help and, at the same time, will place a significant administrative and financial burden on the childcare sector, and, more importantly, on families.

It also states —

We believe that it is not a uniform system with each State and Territory having their own specific regulations kept in place

It suggests that there is reason for WA to slow down the process and to look at what is realistic for the WA sector. Some of its concerns include an increase in costs to families that are already struggling with the day-to-day cost of living, workforce issues and poor communication from both the state and national regulatory bodies. It says that the time to approve overseas qualifications is up to three months and questions why that is the case in a sector that is already struggling with recruiting quality staff. It states that the 15 hours of universal access with no funding put towards WA's early learning centres to assist them in part-funding and recruiting an early childhood teacher is also a concern. The Child Care Association of WA says that no additional federal funding is available for services or families to implement or assist and it is concerned about the timing and consultation for implementation. It is concerned that no real guidance or support has been given to the sector in implementing the reforms and that more administration is required, so there will be less time on the floor with the children. It describes staff shortages as a mismatch between the regulations and the absence of adequately qualified staff members and also states that the Department of Employment, Education and Workplace Relations skills shortage survey shows that only 54 per cent of childcare worker job vacancies were filled in 2010, and that that is a problem most keenly felt in rural, remote and urban fringe areas. Its view is that regulatory changes can be successfully implemented only when increased suitably competent staff are actually available. It says that a full review of childcare training is required, as many centres are faced with applicants who have a qualification applying for jobs, but those applicants are found to be, in its words, incompetent. It says that better quality training needs to be in place to ensure that we have good quality certificate III and diploma trained staff.

An issue that the association specifically raised with me, and I understand the minister has agreed to grant an extension for its implementation, is to have 100 per cent staff coverage at all times. It says that currently our regulations provide that 60 per cent staff coverage is needed, for example, over the lunch period, which it says was brought in due to the serious workforce issues that the sector was facing and still faces today. Although it agrees with the proposal of 100 per cent staff coverage at all times for the future, it says that this is an area that cannot be fixed until workforce issues no longer exist. Therefore, it says that it needs to keep the 60 per cent staff coverage over the lunch period indefinitely until a realistic and affordable solution can be found. I would welcome the minister's comments on that. It also says that the regulation for all services to employ at least one early childhood teacher is simply not feasible, with only 10 per cent of staff in the sector currently having an early childhood teaching qualification. At least 400-plus additional early childhood teachers will be needed to meet the new regulations by 2014, and further teachers will be required for centres with 60 or more children in 2020. It says that, therefore, both the nature and the timing of this part of the regulations need to be urgently removed.

Hon Robyn McSweeney: I tried, but your federal minister wouldn't allow it. I kept trying to put it out until 2016 and I —

Hon SUE ELLERY: It is possible —

Hon Robyn McSweeney: It is going to be a problem; I'm not disagreeing with you on that.

Hon SUE ELLERY: It says a longer implementation period than currently exists is required, particularly in WA, because we already have fully funded kindergartens in our schools. It says that the teacher requirements are delayed until an appropriate solution is found. It also asks what exploration there has been of using some kind of

arrangements to help pay for the qualifications to be achieved, whether that is the certificate III or the diploma-level qualification.

The other area the Child Care Association of Western Australia touched on was authorised officers. It says that having authorised assessors working under each state and territory jurisdiction is problematic. Qualification levels for these assessors have not been determined and at present it seems the qualification will be lower than those required across all sectors. It is worried that unqualified assessors may well determine whether a program is provided to meet the standards when they may never have delivered such a program themselves. It certainly says that it needs support in implementing whatever the final regulations are. It says that it is clear from the draft regulations that the administrative burden on centres resulting from the reforms will be significant. It believes that the government needs to provide practical and financial assistance to the sector here in WA to ensure the smooth transition of the regulations and that this assistance should include support to individual services in developing policies and procedures to ensure that they are ready. That has not been the case so far. The association has serious concerns about the potential costs of compliance arising from the regulations and that the new standards will require copious amounts of additional paperwork. For example, it names the risk-management process, additional professional development for all staff and the creation of new documents, which will incur costs as more time is required for the administrative procedures. In closing, the Child Care Association of Western Australia states that it —

... would like to see the WA Government consider history and to slow down these Reforms to ensure due consideration is given to our concerns and to stand up for families and the sector, making sure these Reforms are implemented in a way that is responsible and financially sound for all involved.

Those two submissions and the public position of United Voice tell us that everyone is supportive of the principal changes that need to be made, but there are serious concerns about whether there is capacity in the workforce to actually properly implement the system and whether there is capacity in the education and training sector to assist to meet those workforce requirements. There is real concern about the passing on of costs and exactly what those costs will be for parents, and there are some practical considerations. The issue around swimming pools, for example, is not one that I think we want to mess around with. There are also issues around the phasing in of that 100 per cent staff coverage over lunchtime. I think the key issue, though, is that everyone is saying that any plan stating that we need to better invest and better focus on ensuring that early childhood education and care services provide the very best that they can is a good thing, and everyone is committed to that. But there are some real issues that need to be addressed, and I look forward to the minister's comments on those that I have raised.

HON ALISON XAMON (East Metropolitan) [5.47 pm]: The Education and Care Services National Law (WA) Bill provides for a national scheme for the regulation of education and care services for children. Last year we debated in this place the Childcare Services Amendment Bill, which was one of the first steps in this reform. The bill before us tonight is the next step in the legislative framework to implement nationally agreed standards for the provision of high-quality education and care in long day care, outside school hours care and family day care. Last year, I noted that the Greens support the reform initiatives. Increasing the standards of our childcare services is a positive step and one that I believe we should constantly be working towards. The reforms under the national scheme focus on improving the quality of education and care services, reducing the regulatory burden on services and providing greater access to information about the quality of services. There are nearly 900 individual private and community-based childcare services and around 800 family day carers in WA. That is more than 50 000 licensed childcare places caring for about 70 000 children. We know that most families use some form of child care at some time or another. It has become an economic imperative; it is not a luxury. The impact of the availability, cost and quality of childcare are significant for the major impact it has on day-to-day family life through to our economy, via its influence on the participation of women in the workforce. When families cannot access child care, whether it is because of affordability issues or because there are limited services or places in those services or because there are concerns regarding the type of care available, this hampers access to employment, again, particularly of women, and has a serious impact on family budgets and the broader economy. Therefore, the quality of services available is important. High quality early care and learning environments also result in positive lifelong outcomes. We know that the most important components of quality for early childhood education can include appropriate training and qualifications for early childhood professionals, lower child-to-staff ratios and a strong relationship between the child and stable caregiver. Childcare workers undertake a very important job; they are not simply babysitters. They play a central role in early childhood learning and development. I think it almost goes without saying that childcare workers and the managers of childcare centres deserve appropriate recognition. They deserve more appropriate wages and conditions that reflect the importance of the work that they do and the qualifications, expertise and standards that we are increasingly demanding of them.

They are not paid enough, with workers who have a certificate III qualification receiving around \$18 an hour through to around \$21 an hour for those workers with a diploma. It simply is not enough. It is not enough to recognise the importance of the work that they are doing and it is not enough, basically, to live on, particularly in this state. Not surprisingly, traditionally one of the major challenges has been the availability of qualified staff in this sector. Until recently, WA experienced persistent shortages of childcare workers. However, I note that the latest statistics from the Department of Education, Employment and Workplace Relations for October 2011 identified no shortage of childcare workers in WA for the first time in five years. These statistics showed that more than 90 per cent of positions were being filled within four weeks of being advertised, compared with only 15 per cent in 2010. This is really positive news, but I do not think that we can be complacent. I suspect that some employers will dispute the department's findings; anecdotally, certainly, many services still find it difficult to fill positions. In particular, it is clear that many rural and regional services struggle to get staff. DEEWR did however identify that WA is experiencing a shortage of childcare managers, with some employers—particularly, again, regional employers—unable to find any suitable applicants. Given the requirements for qualified service supervisors under this legislation, it is of great concern that there continues to be a significant shortage of childcare managers in WA. Although WA may be reasonably well placed to meet the qualification requirements in the Education and Care Services National Law (WA) Bill 2011, we should remember that we continue to compete for staff on the national stage; many other jurisdictions will look at recruiting qualified staff, possibly even from interstate, to make up for any shortfalls they experience in the transition to the national scheme. I have to wonder whether the increasing cost of living in WA might be an incentive for some of these professionals to move elsewhere where they are also in demand but where the cost of living is not quite so unaffordable.

Support for training places for childcare workers and other strategies to encourage qualified workers into the industry will continue to be important as new requirements are gradually phased in. One of the questions I have for the minister is that I am interested to know whether the department has undertaken any modelling to determine the extra labour needs that will stem from this legislation; and, if so, where and when will worker shortages be experienced? Also, what strategies are being developed to address these needs?

The other significant staffing issue is that of turnover. Child care is an industry with a very high turnover rate due to demanding working conditions and the ongoing concerns around salary issues. It makes it very difficult for staff to develop relationships with children, which impacts negatively on the experience of the child and also the stress levels of the parents. The issues of the rising cost of child care and the low wages paid to staff have of late received significant attention at the federal level. For far too long there has been no planning in this sector and as a result we have a somewhat ad hoc system that has many flaws. I acknowledge that it is not a simple issue. Quality child care must be affordable to everyone, particularly vulnerable families for whom it is simply essential for both parents to work. Obviously, there is a role for government in ensuring we get that balance right.

I will speak a little more about the cost implications. The overall impact of the increase in standards will be a more qualified sector, which is great. However, more-qualified workers, of course, cost more to employ. Affordability is obviously also a significant issue in the accessibility of child care. There will be cost implications from these changes, although there has been much conjecture about what these will actually be. Concerns have been raised with me, and obviously others, that to meet the new standards, providers will need to increase fees significantly. The advice that I have received is that many of the concerns around cost, particularly in WA, are not necessarily supported by the modelling because we already have fairly good staff-to-child ratios and, of course, we already provide universal access to kindy, although not the 15 hours required under the legislation. Of course, WA also has quite high requirements for qualifications. I note that, according to the minister's second reading speech, Deloitte Access Economics' modelling —

... estimated an increase on current fees of approximately \$1.83 a child a day ... due ... to the new qualification requirements. The Western Australian government will seek a commitment from the commonwealth government to meet any cost increases for parents as a result of the requirements of the national quality framework.

Therefore, another question I have for the minister is whether that commitment has subsequently been sought; and, if so, what has been the commonwealth's response to that?

Getting back to the figure of \$1.83 a child a day, it might not sound like a huge increase, but I note that for many families, childcare costs are a huge part of their household budget and for some, any increase could prove to be the straw that breaks the camel's back. I want the minister to very closely monitor this as the different provisions come into force. For example, I understand that some providers have already moved to raise their fees, claiming that they have been forced to do so because of the implications of the new legislation. Of course, we know that none of the changes have happened yet, so that is obviously a blatant untruth on behalf of those providers. I am very disappointed to hear that that is the case. I hope that there is a role for consumer protection to address that,

because it is ultimately parents who will suffer from this sort of misleading representation. I also hope that the Department for Communities is on the lookout for providers who are unjustifiably increasing fees and will help people be aware that this sort of behaviour is not on. Can the minister advise whether the department can support parents to report and act on any such cases?

Whatever the impact of the legislation that we are looking at today, there are already widespread concerns that for many families, childcare costs represent a significant burden. I note that Hon Sue Ellery referred to the work of United Voice and I would also like to do so. United Voice released a report recently that found that nationally costs have increased 11 per cent over the last year. I am pleased to note, however, that the WA cost increase was the second lowest across the country at 8.2 per cent, although that is still incredibly high and for many parents it is still far too much. The balance between an adequately paid professional workforce and affordable and accessible care is really difficult, and it seems clear that there is much government work to be done in this area at not only the federal level but also the state level.

I will also make some comments on the timing. Only two elements of the reforms are to be implemented from this year. Centres will be required to have one staff member present for every four babies under two years of age, which is already the case in WA, and existing regulations will be harmonised across all states and territories. The other requirements will be phased in between 2014 and 2020. In relation to the regulatory authority powers, the bill before us substantially changes the way that childcare services are regulated in WA, although I note that it does not include occasional or limited-hours care, multifunctional Aboriginal children's services, nannies, babysitters and playgroups. There will be a nationally consistent approvals process. The national scheme provides for regulatory authorities in each jurisdiction whose role will be to approve providers and services that deliver education and care, monitor compliance with the national law, and assess and rate services against the new national quality standard. The WA regulatory authority will be the childcare licensing and standards unit of the Department for Communities. It remains accountable to the minister and will continue to be the main point of contact for services through its operational responsibility for the national quality framework. I note that on 7 June the minister announced that the childcare regulatory unit was to be established at a cost of \$3.1 million over two years. The new scheme will aim to reduce the significant duplication between national accreditation and state licensing that currently exists. Under this legislation, the WA system will move from licensing providers to approvals. There will be two types of approvals. There will be the provider approval, whereby a person is permitted to provide an education and care service, which is valid in all jurisdictions, and the provider can have as many services across the country as they would like.

Sitting suspended from 6.00 to 7.30 pm

Hon ALISON XAMON: As I said before the break, there will be two different types of approvals—a provider approval and a service approval. A service approval commits the provision of services at particular premises to have a specific approval. Supervisors of a service will also undergo a certification process. I note that the certification process will be able to be transferred between services. A broad range of tools will be available to the authority to regulate the education and care services. The authority will be able to issue penalty and compliance notices or even refer an action to the State Administrative Tribunal. The regulatory authority can also seek to prosecute for prescribed offences, suspend or cancel approvals and certifications, and undertake emergency actions such as closing or evacuating services. There is a right to internal and external review of the authority's decisions, which is obviously an important aspect of the scheme and helps to ensure that principles of fairness will apply to the decisions that are made. SAT also has a range of powers available to it, including the ability to require mandatory conciliation to support the identification of issues and their resolution through to requiring a service provider or staff to take education on the issue under examination.

I will comment on family day care provider regulations because the bill is making significant changes to the way family day care services in Western Australia are regulated. I note that the service, rather than the individual family day care educator, will be subject to provider and service approval. I understand from the briefing that I received on the bill that this is the way it is currently done in the other states. I understand also that this change will reduce much of the administrative burden put on individual family day carers, which will no doubt be welcomed. However, I am concerned that we are losing the oversight that we currently have of individual family day carers. Do the family day care schemes have the capacity and expertise to supervise individual carers to the level that they are currently supervised? I certainly am concerned to ensure that Western Australia does not lower its standards and that this may occur by licensing schemes rather than individual family day carers. I also understand that although most family day carers in Western Australia currently come under a scheme, not all do. I would not like to lose any childcare providers who do not wish to join a scheme. I would be interested to hear the approximate cost to join a scheme as well as any feedback the minister has had from family day carers who are not members of a scheme.

In relation to national quality standards, in an effort to achieve consistent standards and provide information to parents and service users, all services will be rated across seven quality areas by the regulatory authority: education program and practice, including the development of programs based on an approved learning framework and taking into account each child's strengths, capabilities, interests and experiences; children's health and safety; physical environment; staffing arrangements; the relationships with children; collaborative partnerships with families and communities; and leadership and service management. I note that services will receive a rating for each quality area and an overall rating and that these ratings will be available on the MyChild website. I believe it is important that parents are given access to high-quality information about providers. Who they choose to look after their children is a very important decision for any family and it can be a very difficult one. It is important for the government to support parents to make an informed choice.

There are positives in national schemes. Parents can know that the system they understood in their home state will be consistent with that of the state to which they move so that when they look up the ratings of childcare services on the MyChild website, they will know that it represents the same standards wherever they happen to be in Australia. I think that is a good move. I understand that the ratings also will be displayed in the centres for parents to see. That is an opportunity for transparency that I believe is positive.

Assessors from the Department for Communities whose job will be to assess, monitor and rate services will play a very important role, and one that I expect will be much more intensive than what is required under the current process. I am interested to hear more about what expertise and training they will be required to have because with more than 1 500 childcare services in Western Australia, the assessors will have a huge job. How many assessors are intend to be employed to enable them to assess all the providers regularly, and will the \$3.1 million that was recently announced for the regulatory unit include funding for any additional staff? The new scheme introduces a broader focus on continuing improvement, not just compliance. This is a different approach from the current regulatory style. Again, I understand from the briefing I received on this bill that there will be flexibility to take into account the issues that are faced by the different services; for example, many services in rural and remote areas face particular challenges. Waivers will be available where services are unable to comply due to issues with staff or problems with labour availability or infrastructure reasons. Again, I envisage that this will be particularly pertinent in rural and regional areas. Noting that both temporary and permanent waivers will be available, I understand that waivers will not be available for an inability to comply with some requirements such as health and safety or programing issues, which is appropriate. I would be interested in the minister providing some further detail on the sorts of situations in which she envisages waivers will be given.

When considering national schemes, we are often confronted with issues about the impact of acquired legislation on Western Australia's sovereignty and law-making powers. I am pleased that in this situation the government is putting forward corresponding legislation and that the normal regulation-making process is being retained. I understand that is not the case in some of the other states. Concerns on that front have been somewhat allayed. Any amendments to the future act will have to be passed by this Parliament, which is appropriate.

I understand that the department is in the process of drafting regulations based on those that have been developed by the Ministerial Council on Education, Early Childhood Development and Youth Affairs. I would be interested in an update from the minister on that progress. That being said, in its report on the bill, the Standing Committee on Uniform Legislation and Statutes Review raised a number of other concerns. The committee made three recommendations as a result of its preliminary analysis. I note that much of its concerns centre on clause 5, which excludes a range of Western Australian legislation from applying to the Education and Care Services National Law or to the instruments made under that law. I am anticipating that when we get into committee stage we will have more of a discussion about that.

I note from the information that the commission has submitted that it is concerned about potential confusion and proliferation of oversight laws and bodies under the national harmonisation schemes being developed by the Council of Australian Governments such as the Health Practitioner Regulation National Law, the Education and Care Services National Law and the Occupational Licensing National Law. In COAG's view, this is leading to increased complexity and fragmentation with multiple bodies applying and interpreting the same law. This has the potential to lead to confusion and potential inconsistency in application. In a similar vein, the State Records Office submitted to the committee that it has concerns with the disparate oversight mechanisms that are adopted or proposed in national legislation schemes. I would be interested in hearing the minister's response in more detail to the committee's findings.

In conclusion, the Greens are happy to support this bill. We believe, overall, that the whole community benefits in the long run when our children are provided with high-quality care and education. Child care has traditionally been an area that has suffered from a lack of government planning for long-term quality and delivery and has suffered from devaluation as a profession. An increase in standards and quality is a good thing. However, we need to be vigilant about the impact on workers and also potential cost increases for families, particularly those

for whom childcare costs already represent a significant part of their household budget. I will have more questions when we move into the committee stage.

HON MIA DAVIES (Agricultural) [7.42 pm]: I rise to speak on behalf of The Nationals. We will support the Education and Care Services National Law (WA) Bill 2011. We certainly support the implementation of a national licensing system for child care to create a more integrated approach to regulation and the quality of services. Again, we support the aim of the legislation. My understanding is that it is to improve the quality of education and care services for all children, to reduce the regulatory burden on services and provide greater access to information about the services on offer.

In regional WA, in particular in the wheatbelt, the issue of providing sustainable childcare services has certainly been an interesting one. The sustainability of some of the services, particularly the occasional childcare services, has been of great concern to the Nationals. As a member of the Agricultural Region, I have taken a keen interest in this issue. There are not too many communities that I visit that I do not drop in and have a conversation with childcare workers. Committee members—many of whom are hardworking volunteers with limited resources; busy mums mostly—are very passionate about the quality of the child care available in their communities.

Certainly in smaller communities—these are towns with populations of around 300 to 500 people—and even up to some of the bigger centres in the Agricultural Region, it gets very difficult to offer a sustainable service. It gets more difficult the smaller the community is. Nonetheless, it is important whether someone is a parent moving to the regions or they are a parent who lives there already. Certainly I know that professionals look at the services offered in the town. If child care is not on offer and they do not have extended family or a friend network in the town, it is an issue that will weigh on their mind if they are making a decision to follow their partner who is looking for work or even go themselves. That being said, I have friends who live right throughout my electorate who use child care as an opportunity for respite for a couple of days, as do parents in the metropolitan area.

I have developed a particular relationship with WOCS, which is the Wheatbelt Organisation for Children's Services. I would like to pay tribute at this stage to its commitment to assisting service providers throughout the region to maintain their accreditation to support their colleagues in the regions to make sure that the services they offer meet all the regulations that have been put in place. Most importantly, they have worked with the government and the minister and the Minister for Regional Development to develop a funding program that assists some of these smaller areas through royalties for regions. The regional community child care development fund is targeting the not-for-profit sector in the regions where there is a higher percentage of grassroots and small local community volunteer-managed childcare services. That is an \$8 million program that this government is providing. There are a few different programs incorporated under that banner. The first of those is operational support grants of \$10 000. That is an open application process to those who are eligible to assist with their operational expenses. We found when talking to some of these smaller centres that they were struggling to meet the day-to-day operating costs of keeping the centres open. They were reluctant to increase the charges to the parents, because everybody knows that it is a balancing act. It has certainly been noted in the media over the last few weeks that it is a balancing act as to whether people use childcare services; whether it is affordable for parents to be able to utilise those services if they are available in their town. An amount of \$10 000 is available for support grants to those not-for-profit organisations to try to make them more sustainable going into the long term.

The second fund under this program is the support for inclusion of children with additional needs. There is \$200 000 per annum to support children with additional needs through these childcare centres to support inclusive best practice. I am having a look at The information sheet that the Department for Communities has provided says anecdotal evidence indicates that some families base their relocation to Perth on the lack of opportunities for their children with additional needs. I am dealing with a number of children and families in my electorate at the moment. They find it challenging to meet some of those additional needs that their children require. This funding will go towards assisting the services to provide inclusive best practice and bring their staff up to speed on what they need to provide to those children. That is to be commended.

A strategic grant has funding of \$25 000. There will be a requirement for organisations to demonstrate how the project is going to contribute to the long-term viability of their organisation or a collective of organisations. Again, this is allowing communities to band together, particularly in regional areas where they do not have a population base sometimes to support that: to support the sustainable service, to allow them to do group training, to actually do some long-term planning for their services and also to invest in their staff and professional development.

The fourth one is around children's services regional plan funding. That one is again working with children's services officers and the Department for Communities. That is bringing everyone together to look at the services

that are on offer in the region and try to provide them with funding. If they are a small community not-for-profit based centre, they are actually fairly isolated in some cases, particularly if they are volunteer-run. This program is a new initiative in not the immediate state budget but the one before that. It is rolling out now. I have many conversations with the providers in my electorate. They are incredibly grateful for the opportunity that this government has provided them through this funding and that it has been made available.

Prior to that funding being announced, I think it was at the beginning of last year, the federal member for O'Connor, Tony Crook, and I hosted Kate Ellis, the federal Minister for Early Childhood and Childcare, through the wheatbelt to demonstrate some of the challenges that these services face when they are offering services and trying to meet the new regulations in anticipation of some of the regulations that are going to come in. It was an opportunity for parents and committee members to meet the federal minister one-on-one and demonstrate that one size does not fit all. That has certainly been a concern for the National Party knowing that some of these really small centres are going to be required to meet some of the high standards. We certainly do not want to have a two-tier system. Nobody would like to think that their children have a lower quality of service than those in the metropolitan area, but I think some of the challenges, particularly around staffing, remain to be seen as to whether they are going to be able to meet some of those high standards. This is particularly so if we think about the challenges in terms of attraction and retention of teaching staff when we require fully qualified teaching staff to be employed in a childcare centre and their wages are not commensurate. That makes it difficult for these childcare services to meet some of the regulatory framework requirements.

Those are some of the concerns that the National Party has; they are ongoing, but I guess we are of the mind that we do not want to compromise on the quality of the service these parents have on offer, so we are willing to work with those services and assist them as much as we can. It is vitally important that we have quality childcare services in regional Western Australia. Again, it is sometimes a deal-breaker for those considering moving to regional communities if they cannot access childcare services. For that very reason we have dedicated volunteers working in these communities who try to provide quality services, sometimes on the smell of an oily rag. They have been assisted through royalties for regions funding and the state government's commitment to ensure that, where the federal government has pulled its funding, we have filled the gap. That is very important to note. The National Party supports the Education and Care Services National Law (WA) Bill 2011; it supports improved and quality services; it supports the reduction of regulatory burden; and we will be very interested to see how we can go forward, particularly in meeting the requirements for staffing.

Debate adjourned, on motion by **Hon Adele Farina**.

House adjourned at 7.49 pm
