



COMMONWEALTH OF AUSTRALIA

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SENATE

EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS
REFERENCES COMMITTEE

Reference: Provision of child care in Australia

WEDNESDAY, 15 JULY 2009

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SENATE EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS

REFERENCES COMMITTEE

Wednesday, 15 July 2009

Members: Senator Humphries (*Chair*), Senator Marshall (*Deputy Chair*), Senators Back, Cash, Jacinta Collins and Hanson-Young

Participating members: Senators Abetz, Adams, Barnett, Bernardi, Bilyk, Birmingham, Mark Bishop, Boswell, Boyce, Brandis, Bob Brown, Carol Brown, Bushby, Cameron, Colbeck, Coonan, Cormann, Crossin, Eggleston, Farrell, Feeney, Ferguson, Fielding, Fierravanti-Wells, Fifield, Fisher, Forshaw, Furner, Heffernan, Hurley, Hutchins, Johnston, Joyce, Kroger, Ludlam, Lundy, Ian Macdonald, McEwen, McGauran, McLucas, Mason, Milne, Minchin, Moore, Nash, O'Brien, Parry, Payne, Polley, Pratt, Ronaldson, Ryan, Scullion, Siewert, Sterle, Troeth, Trood, Williams, Wortley and Xenophon

Senators in attendance: Senators Bilyk, Collins, Hanson-Young and Humphries

Terms of reference for the inquiry:

To inquire into and report on:

- a. the financial, social and industry impact of the ABC Learning collapse on the provision of child care in Australia;
- b. alternative options and models for the provision of child care;
- c. the role of governments at all levels in:
 - i. funding for community, not-for-profit and independent service providers,
 - ii. consistent regulatory frameworks for child care across the country,
 - iii. licensing requirements to operate child care centres,
 - iv. nationally-consistent training and qualification requirements for child care workers, and
 - v. the collection, evaluation and publishing of reliable, up-to-date data on casual and permanent child care vacancies;
- d. the feasibility for establishing a national authority to oversee the child care industry in Australia; and
- e. other related matters.

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Committee met at 11.09 am

CHAIR—I open this public hearing of the committee’s inquiry into child care. This inquiry was referred to the Senate Education, Employment and Workplace Relations References Committee on 25 November 2008 and the committee is due to report on 17 September this year. The committee’s terms of reference have as their starting point the collapse of ABC Learning, but only to the extent that this has provided a catalyst for future policy direction on childcare provision. The committee will be considering funding issues affecting community, not-for-profit and commercial childcare operations; the need for a national regulatory framework; the training requirements of the sector; and the important link between child care and early childhood learning.

This inquiry is taking place at the same time as policy formulation within the Department of Education, Employment and Workplace Relations on national frameworks that have been agreed to by COAG. The committee’s report is intended to inform that process. The committee is grateful for having received a large number of informative and authoritative submissions.

Before the committee starts taking evidence, I advise that all witnesses appearing before the committee are protected by parliamentary privilege with respect to their evidence. This gives them special rights and immunities, because people must be able to give evidence to committees without prejudice to themselves. Any act that disadvantages a witness as a result of evidence given before the Senate or any of its committees is treated as a breach of privilege. Witnesses may request that part or all of their evidence be heard in private; however, I also remind witnesses that giving false or misleading evidence to the committee may constitute a contempt of the Senate.

[11.11 am]

HALL, Ms Vicki, Manager, Policy, Queensland Commission for Children and Young People and Child Guardian

PENROSE, Ms Lesley Kaye, Senior Policy Officer, Queensland Commission for Children and Young People and Child Guardian

CHAIR—Welcome. Thank you for appearing and for the submission you supplied to the inquiry. Would you like to make brief opening statements?

Ms Hall—The commission is mandated to promote and protect the rights, interests and wellbeing of Queensland children and young people under the age of 18, particularly those who are most vulnerable and disadvantaged. The most vulnerable children include infants and toddlers, children living in alternative care, those experiencing poverty or homelessness, those with a disability and Aboriginal and Torres Strait Islander children.

The commission recognises the serious and unfortunate financial, social and industry impacts that the collapse of ABC Learning has had on families, on childcare staff and on workforce participation in Australia. But the commission is most concerned about the impacts on the lives of the young children who attend the failed centres. The commission is particularly concerned about the potential for the needs and rights of very young children to be diminished in the current debate and decision making about what to do next because of the powerful force that financial interests have when balanced against the rights and best interests of very young children.

In the commission's view, the collapse of ABC Learning was avoidable and it is now time for government to intervene and play a more direct role in the planning and provision of quality early childhood education and care services in Australia. In providing evidence today the commission speaks up for children in their earliest years. We are focused on four key areas: one, the basing of decisions on early-years research evidence; two, ensuring access to quality services for disadvantaged children and children at risk; three, government taking responsibility for planning and provision; and, four, quality as the cost driver for public investment.

In regard to basing decisions on research and evidence, the commission takes an ongoing interest in the early years because of the compelling research evidence about the profound impact that experiences in early childhood have on lifelong health, wellbeing and competence. In policy terms, this research evidence has major implications for governments, particularly in relation to prevention and early intervention approaches that aim to improve outcomes for individual children as well as society. The commission acknowledges and commends both state and national governments on the recent development of early years policy and reform agendas that articulate and reflect these research findings. The commission has advocated for greater recognition of research evidence in public policy development for some time and in 2002 published an issues paper on the topic of an early years development strategy for Australia. In 2006, the commission released the joint policy directions paper *What about the kids?* I can leave copies of both of those.

The release of the national early childhood development strategy in July this year is therefore welcomed by the commission and represents a significant national commitment to take seriously and plan for the health, safety, early learning and well being of children in Australia. The release of the strategy is timely in relation to this Senate inquiry and creates a unique and important opportunity for the aims and vision of the strategy to set the parameters for the new directions and alternative options and models for the integration of early childhood education and care in Australia.

In considering options and alternatives for the provision of child care, special consideration must be given to the needs of children who are disadvantaged or at risk, including Aboriginal and Torres Strait Islander children, children living in alternative care, children of sole parents, children living in remote and rural communities, children with a disability, children from culturally and linguistically diverse backgrounds and children who are at risk and in need of protection. In many cases, the families of these children will have limited access to services and will not be able to afford gap fees. Providing quality services to these children is unlikely to be profitable for service providers and it will require direct support from governments to ensure that these children are able to access the quality of early childhood education and care that is needed to make a difference in their lives.

The commission appreciates that the costs of services for disadvantaged and isolated children will be high and require realistic subsidies. However, this expense must be viewed as an investment that repays itself many times over in the long term. In public policy terms, this is a wise investment that is socially just and adds significant public value in terms of social and economic outcomes. For the most disadvantaged Aboriginal and Torres Strait Islander children, closing the gap is a generational issue, which means that we have to start when children are at their youngest and most vulnerable. That should be our highest priority.

In the commission's view, the provision of early childhood education and care is an essential element of broader social inclusion agendas, such as the national child protection framework, closing the gap, domestic and family violence and homelessness. There is growing evidence to indicate that supporting the care, education and healthy development of children in their earliest years can have powerful effects and set trajectories in health, learning and behaviour into the future. Clearly, early childhood education and care is not the answer to these complex problems. But it must be viewed as a crucial part of any prevention and early intervention strategies.

Governments need to take responsibility for the planning and provision. In the commission's view, a lack of checks and balances around the governance and business practices of the major private childcare provider were compelling factors in the collapse of ABC Learning. The company's rapid growth through takeovers, its corporatisation, its listing on the stock exchange and the added pressure of large numbers of shareholders expecting high returns were developments that had strong likelihood of being detrimental to the best interests of children. This approach would not be tolerated in schools in the education sector and it should not be tolerated for children aged zero to five who are in the most vulnerable age bracket.

Current government policies rely heavily on market trends and mechanisms instead of proactive planning to shape childcare provision. An over reliance on the market, combined with an absence of regulation around the use of public investment, have impacted negatively on childcare quality in Australia. Governments should manage planning and regulate supply rather

than allowing market forces to do so. In the commission's view, quality in outcomes for children should be the cost driver for public investment. While the commission recognises that quality in the early years is labour intensive and expensive, it should not be compromised. We would not accept it being compromised in the education sector.

In delivering quality, the regulation of group size, ratio, physical environments and staff qualifications is crucial and strongly supported. It is recognised that moves are taking place in new government policies in this regard. However, core aspects of quality also include attachments, stability, responsive relationships and the right for every child to have a sense of belonging. All of these quality aspects are lost or fragmented when the care environment is unstable, staff turnover is high or, as happened with ABC Learning, services collapse.

Finally, I would like to highlight that poor quality services are very stressful for young children and even traumatic. When a corporate chain collapses, as happened with ABC Learning, the scale of stress, disruption and trauma for children is unacceptable and must not be allowed to happen again. When considering impacts, we must remember that six months or a year in the life of a baby or a toddler is a very long time and covers many developmental milestones. Lesley will talk a bit more about the practicalities.

Ms Penrose—Thank you for this opportunity to speak with you today about this very important topic. I have been involved in advising and working on the development of the commission's policy positions around the early years because of my previous background of many years experience working as an early childhood teacher. I have worked in kindergartens and childcare centres and I have taught childcare studies at TAFE and supervised students and presented lectures to students studying for their bachelor of education, early childhood. I have visited many centres in and around Brisbane and I have over 12 years direct experience working as a teacher and a director in childcare centres.

The commission commends the federal and the Queensland state government for setting up the offices of early childhood education and care and placing them within the education portfolios. This is a very positive step that reunites the concepts of care and education. The commission also supports the development of the early years learning framework, because this acknowledges the important learning that does take place in the first years of a child's life.

In terms of the policy settings that the commission believes should now be introduced if we want to improve the quality of all childcare in Australia, we believe that the federal government should take overall responsibility for the planning and shaping of childcare provision to ensure that it does meet the needs of families and children. In particular, we propose that that the federal Office of Early Childhood Education and Care should administer a representative stakeholder body that can inform and advice governments on childcare provision and planning. There could also be parent representation on this stakeholder advisory body. The commission thinks that planning for child care cannot be left to the market. An organisation like a representative stakeholder body could administer needs analysis research to inform ongoing and future planning around child care.

The commission suggests that the type of childcare information that is most beneficial and useful for parents is information around what good quality child care looks like and what the

early years learning framework is meant to achieve. It is important that families and their children go and visit centres before the make enrolment decisions.

The commission is of the opinion that future increased public investment in child care should be directly allocated to support the employment of more highly qualified staff, the implementation of lower staff to child ratios and small group sizes. Instead of further increasing the childcare benefit and the childcare tax rebate, which are demand side mechanisms for funding, the commission suggests that improving quality will now require more supply side investment. Public funding should go directly to support and lift overall quality.

I would like to spend a couple of minutes looking at the issue of what good quality child care look like. There is a lot of talk about it in the documents that are coming out now. In terms of what it looks like on the ground, one of the things that I would like to put forward as being important is leadership. There needs to be a managerial level that understands that positive relationships are at the core of good quality child care and education. How does that happen? That requires staff who consider themselves to be professionals and reflective practitioners who have to constantly learn, deepen their knowledge and keep up to date with the latest research. For example, there are new ways of understanding attachment theory and there is constant development going on in terms of our understanding of neuroscience and the brain development of children. Staff need to continually improve their knowledge base.

That also means that time has to be allocated for staff to be able to attend paid staff meeting to discuss and reflect on these issues. There needs to be money put aside for whole-of-staff development opportunities. They need to be treated in the same way that all other educational professionals are treated. Highly qualified staff who have the skills and professional expertise to work with very young children and their families are people who have a range of skills, experience and knowledge. There are staff who can understand, for example, the complex mixture of reasons as to why a toddler might be going through a biting phase, handle that situation, recognise whether a child may need extra support in a developmental area, document their observations and speak sensitively with parents about that issue. That requires a certain level of skill. Staff who are able to articulate exactly how much and in what way children are learning through a play based program require particular skills. To be able to calmly deal with the numerous complex situations that can arise in a typical day working in a childcare setting requires a lot of skill, knowledge and support.

We believe that the early years learning framework is a positive step towards improving both the level of professionalism among childcare staff and also the wider communities the conception of what childcare is about. Implementing this early years learning framework effectively will require, we believe, at least one four-year qualified early childhood teacher leading pedagogy within a centre. We also believe that that teacher should be working full time at the centre so that they are somebody who knows the children, the staff and the parents of that centre.

High quality means that centre budgets need to accommodate time—for example, time for families to come into the centre before a child starts at that centre; time for the staff member who is the group leader to work with that child so that the family can get to know them. That cannot be done while that group leader is still working. It is very hard to reassure a parent that you are interested in and want to know what they want for their child when at the same time you have to

keep excusing yourself to change a nappy or sort out a situation that may be happening in a group of children. Small issues like that require budgets that can allocate staff to be released to do those sorts of tasks.

Low staff turnover is a big issue in child care. Improving wages and working conditions will be important in stemming the tide of staff turnover. Improving wages and conditions needs to be done alongside improving the qualification status and standing of childcare staff. Staff also need time to be able to really listen to children, time to meaningfully document the children's experiences and time to share these with families and children. Documentation is not something that can happen when the children are having a rest.

There also need to be enough staff so that children are not being shuttled from room to room based on having the minimum number of staff rostered on or staff who are employed on a casual basis who are sent home if the numbers of children are too low. Quality means a physical environment with appropriate outdoor spaces that accommodate the needs of very young children and particularly the needs of children who may be at a childcare centre from the age of six weeks until five years of age. This requires very carefully designed environments that have moveable parts to create change in play and learning environments. It is not a good idea to have a one-size-fits-all design for childcare settings.

All of these aspects to providing quality child care are expensive. Because we know that the current costs of child care are financially prohibitive for many of the most vulnerable families and their children, this highlights the importance of further public investment to keep costs down as quality aspects are addressed through national quality standards, particularly if the government is going to fulfil its promises of centres playing a role in providing more integrated services.

The commission believes that an accreditation system should be based on the assumption that childcare staff are knowledgeable professionals and that the validation visit should be a visit from an early childhood professional who can identify whether or not there are positive relationships and meaningful experiences taking place within the childcare education environment. It is possible for an experienced, skilled and qualified person to tell the difference between chaos and a busy, productive environment or, for example, the difference between an environment where children are respected and one where cost cutting can lead to very large groups of children, from babies to preschoolers, all being outside in the one area supervised by two staff members who can only be involved in supervision and not in quality care and education. We believe that when quality is considered in this light it highlights why the corporate model of childcare ownership and the listing of centres on the stock exchange does not fit with the needs of children. A board of management that has to respond to, in that situation, the legitimate needs of shareholders who want a profitable return on their investment can clearly be in direct conflict with the expensive requirements of high-quality care and education.

CHAIR—Thank you very much for those opening statements. I will start with a couple of questions and then pass over to my colleagues. Ms Penrose, you made a comment about federal takeover of administration of child care in Australia. Your submission in that respect only talks about a federal office of early child education and care administering a stakeholder or an expert body to inform and advise. You have gone one further with what you have said today. How do

you see this takeover working? Should it be the administration of funding and regulation of child care? How should it work?

Ms Penrose—The phrase that I meant to use was ‘should take over all responsibility’. So it would not be a takeover in the sense of hands-on administration of the whole of child care. What we mean is what was in our written submission—that is, being in a position to intervene. There was a lot of evidence leading up to the collapse of ABC Learning that the policy settings were not working, but unfortunately there was no real mechanism at that stage for the government to intervene and to avoid that happening. We believe that if the government does have more of an overall responsibility and oversight in what is going on, with the assistance of an advisory committee it should be able to change and develop policy settings to avoid the sorts of unfortunate things that have happened recently.

CHAIR—In your submission you have set your face against the role of the private sector in childcare provision in Australia. Obviously, that is a very significant change in outlook, given that something like 73 per cent of child care in Australia today is provided by private sector operators. You say, for example, that there has been a lack of diversity in the childcare sector as a result and that real choices for parents continue to diminish. I would have thought that, given the variety of operators that are now in the marketplace, that is not true. Can you give me some evidence that people are getting poorer outcomes by virtue of the fact that they are going to private sector operators?

Ms Penrose—Can I first say that the commission’s position is not one of saying that there should be no private operation of child care in Australia. Our concern is that there should be high national standards and that any operator should be able to meet those standards, whether it is a community based operator or a private operator. Many stand-alone private centres provide exemplary care. Our concern was with the corporatisation and the development of a major player that was taking over a lot of the stand-alone centres.

CHAIR—So your concern was about the monopolisation of a large part of the sector—okay.

Ms Hall—It is not concern about diversity; the commission supports diversity within the sector. But the commission considers corporatisation, consolidation and shareholders as being in quite another league to having for-profit groups and to the size and the expansion policies that that corporate group was allowed to pursue. In that regard I just reiterate that we would support diversity but not that level of corporatisation.

Senator HANSON-YOUNG—There is a difference between—and you can correct me if I am wrong—independent private operators and those that are floated on the share market and have dividends as their primary objective.

Ms Hall—Yes, that is right. And part of that is about the relationship to that. Smaller private groups are often involved in direct relationships with children and with the parents and they have an understanding of the community in the centre they operate in. With the corporate approach you might have an operating body and then there are shareholders, and the shareholders will have nothing to do with the operations. They are in a business, validly, to make money. They are not aware of the day-to-day operations; they are not aware of the decisions that need to be made

for their shares to deliver the sort of profit that they want, and that is just not compatible with another approach.

Again we would say that in our view this is now within an education portfolio. We are moving in the right direction. We know a lot more than we did know about children's development when child care first came onto the market, when it became marketised. We need to start putting into practice what we have in terms of rhetoric and, as part of the education revolution this is part of the continuum. So for children in those years we should not accept practices that we would not accept in the education sector. That does not mean that you do not have private groups and groups that operate where they are making money that is going back into the education of children, but it is that level of corporatisation that concerns us. I think the commission can also provide some evidence of where there has been some research about poor quality being detrimental and about the changes in funding policy and growth having an impact on the quality of services—and Lesley could probably speak a bit more about that.

CHAIR—What I cannot find in this admission is how you want to engineer that kind of change away from corporatised child care and how you actually make that transition. The only recommendation you make really about the structure of child care is that there be that federal office, otherwise it is a little bit vague. Perhaps you might take on notice how you would actually engineer that. Would you, for example, put a ban on one operator operating more than X number of centres or something of that kind, or not being allowed to float on the share market or—

Ms Hall—It is about regulation. It is not the commission's core business to do that sort of work, but it would be looking at a whole range of things in all sorts of industries that are regulated to make sure that things do not happen the way that they did with the ABC Learning Centres. Part of that would be that we need to collect good data, much better data, about local needs and about demands. We need to regulate in a way that allows flexibility but creates a situation where you can still deliver good quality. So you have flexibility to deliver what is needed in rural settings and you have data that tells you where you have got too many centres, where you need centres, where you have got high demand but it is not profitable, and that sort of data should be helping to direct the supply. So it is a matter of government having a more direct role in supply in working out what the supply is. I do not see that that is an impossible task because we regulate in all sorts of ways. For instance, we regulate how many hotels are in a certain area and if we can regulate the things like that and how schools operate, it would be considered in a regulatory way.

Senator JACINTA COLLINS—I would like to explore this issue a bit further, and it might clarify some of the issues you have raised. A good decade or longer ago the Commonwealth participated in planning, met with the various state bodies that had a role in regulating child care and sought to inform the process in terms of how childcare facilities should be registered, licensed and established. At the time there was some criticism about how effectively that process worked, which is partly why, for us, it is interesting to go back now and think: if the Commonwealth wants to take a stronger role in planning, precisely how might we look at doing that? The scope extends from, as you were discussing earlier, a full takeover—does the Commonwealth start regulating and licensing centres?—to the much lighter approach, which would be through a national process participating in the planning with the states over where

future centres are established. Do you have a view within that spectrum about what the role of the Commonwealth should be?

Ms Penrose—At this point the idea of the Commonwealth taking over the whole management and administration of the childcare sector is not a feasible option. However, the federal Office of Early Childhood Education and Child Care, as an advisory body that would have representatives from the states, would be able to tap into the sort of information that would be needed to assess whether or not particular areas required more services. That advisory body could also be the sort of body that ensures that there are high national standards. I think that answers the question that Senator Gary Humphries was asking before about how we get from where we are to lifting that quality. Having high national standards that every centre must actually achieve would be a staged way to start getting a better overall system in Australia.

Senator JACINTA COLLINS—By the sound of it you would recommend the Commonwealth going back and improving the process that existed in the past with the states.

Ms Penrose—Yes.

Senator JACINTA COLLINS—It is certainly built around a cooperative federalism arrangement, which is where we are getting the national standards from as well. You would recommend extending that into the planning and establishment of services.

Ms Penrose—Yes.

Senator JACINTA COLLINS—Picking up another point you make in your submission, would you also recommend that that not only deal with the education authorities but also manage other social inclusion programs so that in that process we look at drawing in related portfolio areas on the community services side, such as bridging the gap and other social support and disability type programs? Should that be a component of this process?

Ms Hall—Definitely. It is hugely challenging but it needs to happen, particularly if you look at this being able to provide more integrated responses for those children and those communities and if you consider it as part of much bigger policy agendas like human capital productivity. Again, if you come back to what the research evidence tells us, then we really do have to get more people thinking together around the table to, in the end, save money in deciding what needs to happen for local communities, particularly those in geographical areas that have a need for greater assistance with that sort of service.

Senator JACINTA COLLINS—Going back to the point of trying to ensure that the provision of childcare services is not exclusively market driven and being more pragmatic about how the market currently is, do you have a sense about what should be regarded as a reasonable level of for-profit participation, corporate participation and community sector participation, or would you leave it to a regulatory type body to develop a sense about what we should look for in the future?

Ms Hall—I think we have said in a way that you have to keep looking at what the big drivers and parameters are for this, the outcomes for children as well as having people in the workforce today—so it is the longer productivity gender and the long-term view. As some of those things

come into effect and they are serious then the people who want to stay will stay, and that type of market approach will have an impact in terms of who is not going to be there, so it will start to do some sorting as well. But you do need some regulatory intervention. As for your question about what that would look like and how it would happen, we have not given a lot of thought to that aspect for this particular discussion, but we could take some questions on notice on that.

Senator JACINTA COLLINS—One of the issues for us will be the argument—probably quite legitimately raised—that, to foster a reasonable proportion of the community sector in the delivery of children’s services, the Commonwealth may need to revert to capital type funding rather than just the service delivery funding models that we currently have. Do you have any comment or view on that area?

Ms Penrose—Yes, I think that is something that the commission do support, and we would suggest that that is more the supply-side investment in child care and that any future increases—and there will have to be increases in government support for the childcare sector—come not through the childcare benefit and the childcare tax rebate but more through perhaps subsidies for centres who are looking to upgrade or through capital investment in terms of setting up centres where there currently is a need for centres. So, yes, we think that would be preferable way to go.

Senator JACINTA COLLINS—Thank you.

CHAIR—Senator Hanson-Young?

Senator HANSON-YOUNG—Thank you. Just touching again on this idea of overall responsibility being held by the federal government, can you give me some examples of the difficulties that you have experienced or witnessed as a state organisation because different areas are managed and administered at the state level, are the responsibility of the state, while others are a federal responsibility—whether it is the levers of the funding, depending on how that drives policy, and what kind of outcomes you get. Can you give me some examples of things that have been difficult because the responsibilities are held by different government departments.

Ms Penrose—Certainly, one of the things that we do see is being addressed in the current discussions, and that is the issues around having a federal accreditation system and a state licensing system. The experience of a lot of staff in child care is that that situation means the duplication of a lot of work. There is a lot of extra work—taking staff away from the main thing they want to be doing, which is working with the children—producing a lot of paperwork, to satisfy both the federal accreditation system and the state licensing system. The commission is very pleased to see that there are proposals to streamline those two into one process.

Senator HANSON-YOUNG—In the wake of the ABC Learning Centres collapse, 200-odd centres have now been purchased by new operators, but a number of them are up and running without accreditation. They have their state licences, obviously, but they do not have federal government accreditation and therefore input into the process. What is the commission’s view of those centres that are up and running but do not necessarily have accreditation?

Ms Hall—As Lesley said, the commission’s view is that uniting those systems is a good idea. It is concerning if there are centres that are running that do not have accreditation and, again, it is

concerning that we are making decisions on salvaging things that are not always in the best interests of children. To pick up on one of the things you said before, the accreditation and regulation coming together is an obvious area of importance, particularly when we hear it is not to make more paperwork for people either.

I remember going and listening to a speaker who talked about families who have had really serious dysfunction and who are going back to work when the kids are very young. For a baby, a relationship is like oxygen. If you really ingest what a relationship means for young children, it is not a paper based thing, it is not policies on walls, and we have got too far away from both of those. While the commission would not say, 'It is not accredited; maybe it is no good if it is licensed,' licensing is the base level. It is not about high standards. The sort of system that we would be looking at, as Lesley was saying, would be an accreditation system, where people who are knowledgeable can address issues of quality, can come in and support what is needed; but those things are relationship based and they are not things you do easily on paper. They are things that have to be seen and felt by the children.

Ideally, the commission's view is that very young children can very clearly tell you when they are not happy with something or just not ready to listen to it. If you are really looking at accreditation of centres, we have systems in place where we can find out more about the views of children, who may be in centres for many hours a week. In answer to your question, the commission is not saying we need both. That particular situation is a fairly unique situation and the commission would be concerned if they do not meet accreditation standards. But in terms of looking at where we are going, it is a bigger issue.

Another issue in terms of the regulation that you spoke about is that, when you are in an area and you know the need, you can see the need, and a local community might see the need for a service, when it is in the free market you cannot take any action. It is just dictated by the CCB and the childcare tax rebate and whoever comes into the market. So regulation from a federal government perspective that actually really does have mechanisms to collect good data on need would be important.

Senator HANSON-YOUNG—Data collection is clearly something that, even through this committee and estimates processes, the department does not have a good grasp on. COAG recently announced the idea of nationally consistent standards, which I would argue probably brings the sector into the 21st century—just because you have got a child in Victoria does not mean that they do not deserve the same quality of care as a child across the border. I think it is completely necessary. What is the commission's view on how realistic this is to achieve if we do not tackle the issue of poor wages in the sector so that we are able to have more qualified staff working in centres and perhaps even the skills shortage of those qualifications? How far down the track are we going to have to be before the reality of nationally consistent standards is going to make a difference to the quality of care?

Ms Penrose—The commission believes that the workforce development aspect of these reforms is crucial because we will not get staff staying in child care unless we substantially improve the wages and conditions of staff. That is why the commission very strongly believes that any future government support and public investment has to go directly to ensure that staff wages and conditions are improved and that the money is going to employ more highly qualified staff.

Senator HANSON-YOUNG—One of the things we heard this morning from our site visit was that it is always challenging to find people willing to work in the sector with those qualifications. If, on paper, it does not say you have to have someone then you can get away with not having someone. Even though perhaps the centre would like it, they cannot find those staff. From a Queensland point of view, is the state government doing anything to really invest in those skills shortages?

Ms Hall—The question would be best directed to the state government department that does that, but they have done a lot in Queensland. They had a state-wide training strategy and there has been a big investment in that area. I think they have learned a lot of lessons that could be valuable to this committee, particularly in terms of identifying high-need areas and rural and remote areas and putting in place very generous training programs to support people in the childcare sector to upgrade their qualifications.

You might check this with them, but one of the interesting aspects is how you manage that when people are working in a childcare centre. What is reasonable in terms of setting a time frame for them to do that? But what if the time frames are ignored or the time frames are too generous or never achieved? So, on the one hand, you are trying to get people to upgrade their skills; but if the time frames are too generous people can just say, ‘I am enrolled’ and not really finish or be participating in a course. So I think there would be some lessons from that to consider.

Senator HANSON-YOUNG—We will take that on board and put the question to the government. Thank you.

Senator BILYK—Just following on from that answer, I do not know if it is still the case, but in Tasmania, TAFE used to be the major provider for diploma and associate diploma childcare training and it used to limit the number of participants it would take. Therefore the number of duly qualified people working in the industry was limited. I think there is a shortage throughout Australia of what are deemed qualified associate diploma and diploma level people in the childcare industry. I understood from what you said that you did not necessarily believe that every childcare worker needed to have a qualification. Could you confirm or deny that for me?

Ms Penrose—We certainly believe that every childcare staff member should have a qualification. Our concerns are more that people who are working in a childcare centre have a particular time frame in order to complete their qualification, and sometimes that time frame gets extended and extended. We are more concerned about that, that there should be a tightening up of those time frames.

While I do not have any figures on me, I imagine that in the childcare sector there are lots and lots of people with a completed qualification who have left the sector. It is very similar to the situation in nursing. I know there has been a campaign to get nurses to come back into their profession. I think that that could be something that could happen in the childcare sector. I know lots of people who have completed their qualification and have worked in childcare and loved it but have had to leave because it does get very stressful and most people can only work for low pay for a limited time. You cannot do it forever. When people find out they have the option of getting a job at the newsagent down the road with much less stress—they work fewer hours, they do not have to do programming on the weekends and they are going to get paid more—people

take that option. So I would think there are a lot of qualified people who could be encouraged to come back into the childcare sector when the situation of their working conditions would improve.

Senator BILYK—That brings me to a follow-on question. I will declare that I worked in the childcare industry for over a decade. One of the issues I left because of was the issue of remuneration. There were also the social status implications: ‘You are just a child carer. It is women’s work. Basically anybody can do it. If you are a nice, nurturing person then you are an absolute natural at it.’ I am wondering whether you can make any comments with regard to society’s concept of this type of work. Although this inquiry initiated from the collapse of ABC, the inquiry is much broader and this issue is much broader. Can you tell us what your views are with regard to the way society looks at childcare workers and whether you have done any research in that area or you can back that up?

Ms Hall—I would agree with you that that is a big issue. The people who work in child care face that all the time. It is a bigger issue than, as you say, just this. It is about understanding that for children in those very young years it is not enough just to have love and nurturing. Those things are absolutely critical, but they also need to be learning and there is a whole lot of stuff that we know that we did not know in the past. We do need to do more in raising the status of that period of time in a child’s life for people to understand what it means. We need to fund whoever the carers are who put the time in and it needs to be reflected in the status for that group. There is a lot that needs to be done in raising public awareness about just what is involved in that work. Lesley mentioned a whole lot of examples. The people who work in child care I am sure would say to you that it is getting tougher and tougher. There are a lot of very challenging behaviour problems that come up for young children. We have to get better at understanding what is happening and responding to their needs. We need to be not medicating kids all the time, although certainly we do when they need it. For people to understand all of that is a big public education agenda.

It is also why we see we should just rename the whole thing ‘early childhood education and care’ and move away from ‘child care’. The naming of it that way has come from a different generation of thinking. It is not just about people being in the workforce and their kids being somewhere. It is a very big issue. It is quite a cultural change. It is a big issue that needs to be addressed in terms of what messages we give to the community. It is also about parents being more empowered, understanding and getting better information about what should happen with their kids in these age groups and what to look for. They need to be empowered to be advocates for their children. They will be the best advocates if they have good information.

Senator BILYK—Thank you. Your submission—and thank you for your submission—was based around child care centres. One of the terms of reference is about looking at alternative options and models for the provision of child care. Have you had any input into or feedback on forms of child care other than centre based care, such as family day care, in-home care, nannying or any of the abundance of different types of care available?

Ms Hall—When you say ‘input’, what do you mean?

Senator BILYK—Sorry. Have you done any research into areas of child care other than centre based care? Do you have any views on that?

Ms Hall—Maybe not specifically, but the commission’s research is always about the care environment and the experiences that young children need. In areas like family day care, the same things would apply. If you are receiving payment for looking after children, how do you provide the sort of experiences they need? There might be a whole range of ways to do that. It does not necessarily mean an individual carer has to provide it all. The association might set up opportunities. There could be a whole range of approaches. It would always come back to this: is the experience and the environment that those children have meeting the standards of what the quality should be?

Senator BILYK—Thank you.

CHAIR—Could I ask you to take a question on notice? We are out of time, unfortunately, so we will have to leave it there. You mention at the end of your submission that there should be a role for child care in things like the education revolution and closing the gap strategies. Could you take on notice the question of what specific initiatives you believe child care should be undertaking to help close the gap between Indigenous and non-Indigenous Australians?

Ms Hall—Okay.

CHAIR—Thank you very much for your time today.

Ms Hall—Thank you.

Ms Penrose—Thank you very much.

CHAIR—We have given you a couple of questions on notice. Could you send the answers, when you have those, to the secretariat, please?

Ms Hall—Okay. We will do that.

CHAIR—Thank you.

[12.05 pm]

BRIDGE, Mrs Gwynneth, President, Childcare Queensland

CHAIR—I welcome the representative from Childcare Queensland. We have your submission. Thank you very much for that. I invite you to make a short opening statement, if you wish, and then we will fire some questions at you.

Mrs Bridge—I do not have a prepared statement, so this will be off the cuff. I came into the childcare sector 22 years ago and I hopped on the roller-coaster. We are still going up and we are still coming down. There have been troughs and highs for 22 years. The instability wears you down. The instability and the constant changes have taken a toll on many of the wonderful staff we have had throughout all of these years. Higher qualifications do not necessarily mean a more dedicated childcare teacher. They may have more knowledge in the theory, but the person who has the heart for children is the person I would want looking after my children, not somebody who did not have the love, was calm and nurturing and had the teaching as well.

Through this period I have seen the rise and fall of ABC. I was involved in the heavy lobby to get the 1997-98 planning advisory group set up. The sector at that point went through a very debilitating stage. Centres in the community sector and the private sector were closing right around Australia and something had to be done to stop it happening. There had been a freeze placed on the CPI increase for several years and child care became unaffordable for families.

Since 2000 we have seen a massive building program. Developers thought that the best thing to do was to use every spare scrap of land they had to put childcare centres on. They then became double childcare centres. We have lobbied the government consistently over the years to reintroduce a planning model. We find ourselves there today.

The sector is facing huge challenges with oversupply of places. Many of our member centres in Childcare Queensland are experiencing low occupancy rates. We are looking again at massive changes. Our fear is that a lot of academics are looking at the sector but it is the practitioners on the ground who really need to be involved in the changes that we are going to have to implement.

CHAIR—Thank you for that.

Senator HANSON-YOUNG—I have a few different types of questions. I have some about ABC Learning and the interaction ABC Learning has had with your organisation, but I will start with the interesting balance between oversupply and undersupply. It is hard for some people to understand exactly why there would be waiting lists—and we heard this morning from one of the centres that they have a waiting list of 200 parents—when in other places there is an undersupply. That contributes to the quality of care for the children and to the morale. Can you tease out for me a bit the intersection between undersupply and oversupply?

Mrs Bridge—What we read in the papers constantly is that people cannot get their children into child care. Most of the people who are going to the press have babies in the nought-to-two

age groups. In a 75-place centre we take only eight babies and that is where the problem originates. In Queensland that is because we have a limit on group sizes. In the southern states you can have 20 babies and, as long as you have the number of carers, they can all be in one room. We have group sizes and ratios. So that is a problem. Then people decide that they want to go back to work in September and they roll up to the nearest childcare centre and say, 'I want to put my baby in for five days a week.' We just do not sit with that vacant position for them to get their child in there. So the process is never going to work unless you have all these baby places sitting there empty waiting for someone who wants to go back to work on a certain day for X number of days a week.

The issue with the oversupply is mainly in the three-to-five age groups. Talking about Queensland in particular we had our centres built to cater for the prep year. We lost the prep year two years ago. That was a whole group of 24 children a day who went off to school. Because we have these group sizes of babies and toddlers coming up there is not enough of them of a suitable age to move into the three-to-five age groups every year. You may find that you can only move up seven or eight children. We are ending up with this massive vacancy in the three to fives. It is causing a lot of stress in the sector at the moment.

Senator HANSON-YOUNG—So some parents would have their child in the nought-to-two or even three category in child care and then decide to send them to a kindergarten that is separate to get them ready for prep. Is that where the gap comes from?

Mrs Bridge—No, it is not. We find that most of the people who use long day care need long day care. We cater primarily to working families and they are happy to use long day care rather than go to a sessional kindergarten.

Senator HANSON-YOUNG—Okay, so it is because of the limit of eight.

Mrs Bridge—It is the bottom that is not giving us enough to flow on the top, having taken out that group of 24 children.

Senator HANSON-YOUNG—Moving on to the relationship that your organisation has had with ABC Learning, could you give us a brief understanding from your organisation's perspective of the impact of the collapse here in Queensland. Obviously, this is where ABC Learning first established.

Mrs Bridge—Our association with ABC goes back 21 years. When we found that they had gone public our reaction was, 'Good heavens, how on earth could something like this happen?' Most of us had never thought about it. We ran community centres in areas where we did not have the big picture. I think people thought 'Good luck.' It was something new that had never been done. It had been done in aged care, so I suppose child care would naturally follow. We then sort of separated out somewhat. ABC became its own growth silo and the other sector just kept its growth pattern.

It was during its heyday, when centres were selling out because they were getting top dollar to sell out to ABC, that a lot of the huge growth started, with developers just building them up and selling them off. ABC were a major buyer in that market. And it just kept going from there. Some people who sold their medium-sized groups to ABC then went on to build and gain more

to sell them back to ABC. But the private sector, the individuals, were still selling, but we had three corporates at that point and there was a bit of a market to get good prices and so on.

It brought a lot of people into the industry but it became a worry when centres were going up in areas where we knew that there was no demand. The aim, I think, in those days with a lot of the developers was to build big and bright and shiny and entice the parents to something that was very up-market—and the buildings were very spectacular in many cases. However, a childcare centre is only ever as good as its staff, and parents did support centres where their children had been and where they had good relationships with staff. The fallout was not huge from the private sector with families rushing off to corporate child care.

Senator HANSON-YOUNG—So they were finding new families?

Mrs Bridge—I would think so—attracting new families rather than enticing new.

Senator HANSON-YOUNG—What has happened since November when we saw the company go into receivership and a number of centres closed around the country, including some in Queensland, and also the handing over to new operators for those 200-off that were considered unviable by the ABC1 group?

Mrs Bridge—We were concerned when the government took the 241 centres. We thought that they would immediately just keep them running as community centres. But I think it was a huge learning curve to government and to a lot of people what that cost of providing care actually is. That is the cost of your mortgage, your leases and all of those expenses that go with providing care. For most of the centres that have been picked up, the private operators are working on them and we are not hearing any stories where they are not getting any occupancy levels up. It seems at the moment that they have slipped back into the community and they are doing okay. I know there are a few still closed around Australia, but not a lot compared to the number that were there.

Senator HANSON-YOUNG—What about the remaining 720 ABC centres that are still waiting to be purchased by a new operator? We heard again this morning that it seems that the plan has not changed to sell them all to the one company or to the one owner.

Mrs Bridge—All I can say about that is that there are a lot of staff and a lot of families who are very, very happy in their ABC centre. It does not matter how big a company is, as long as the company has the management happening and all the procedures happening all the way down to the lowest level employee, it can work. It will just growth that gets out of control that will cause another collapse.

Senator HANSON-YOUNG—In your submission you state that while seeking representation from Childcare Queensland, ABC Learning did not give approval for you to distribute your newsletter. Can you elaborate on that?

Mrs Bridge—They trained their own staff and they were very careful about what went into their services.

Senator HANSON-YOUNG—This representation and interaction was obviously prior to receivership?

Mrs Bridge—Yes.

Senator HANSON-YOUNG—You also suggest that ABC Learning had become more important to government than perhaps other private childcare providers. Can you give some examples as to how and perhaps why you believe that that is the case?

Mrs Bridge—We were lobbying extremely hard back then because we could see how the sector was going. We were basically lobbying to start bringing back control measures, to stop the developers from just throwing these centres up everywhere. But we were just told that market forces would prevail. They might prevail in fish and chip shops, but letting market forces prevail in child care leads to us getting what we have ended up with—with families and children being displaced and a huge issue arising in many communities.

Senator HANSON-YOUNG—But my question was about the fact that you indicate that you believe the government was more interested in listening to ABC Learning than perhaps listening to the advice of an organisation like your own, even though, I guess, everyone—whether or not you had children in child care—could see ABC centres popping up all over the place? What was the interaction with government that concerned you?

Mrs Bridge—I think it probably is based on the fact that we could provide the evidence that this was happening but nothing was done.

Senator HANSON-YOUNG—Despite representations to the responsible—

Mrs Bridge—Yes, to the ministers. It just kept coming back to market forces. We were there constantly. Planning was so big on our agenda for lobbying, but we just could not get anywhere with it.

Senator JACINTA COLLINS—It is nice to see you again, Mrs Bridge.

Mrs Bridge—Yes. You have probably heard it all before.

Senator JACINTA COLLINS—But some things have happened since those days. I, for the benefit of the rest of the committee, was also advocating the reintroduction of planning in the lead-up to the 2004 election, and what has subsequently occurred is indeed what we were concerned about at the time. Would it be reasonable to describe what was occurring in the latter period of ABC's growth or the change in their strategy from the earlier days as 'market gauging'—in the sense that they were putting centres in areas where there was no demonstrated demand and it was about trying to grow the business by gauging out business from other providers?

Mrs Bridge—Back in those days it was not ABC themselves who were doing it; it was people who had sold to ABC who then went on this acquisition trail around Australia. So it really was not the people within ABC; it was external people buying up, doing the building and selling

them back to ABC. But it was certainly a concern in a lot of areas that, if they had a centre and did not sell, an ABC centre might go up next to them.

Senator JACINTA COLLINS—If I recall correctly, in some cases that was the concern in the absence of any planning framework.

Mrs Bridge—That is right.

Senator JACINTA COLLINS—Indeed, there were some new ABC centres opening in areas where there was not sufficient demand even for an existing provider.

Mrs Bridge—That is right.

Senator JACINTA COLLINS—So it was a mixture of both: the acquisition behaviour of others and indeed also ABC?

Mrs Bridge—Yes.

Senator JACINTA COLLINS—Going back to the planning issue, with all of your experience, how would you say the Commonwealth should now look at reintroducing planning?

Mrs Bridge—I would just like to point out that every Friday every childcare centre in Australia gives their occupancy data to the federal government. The federal government would know exactly where the oversupply is and where the undersupply is. We have not had any release of that data. That data has been collected over several years and we have only ever had a release once, and that showed, I think, that there were four childcare centres needed in Australia—whereas we would be having four going through councils in most major cities every week at the moment. We believe that the data is there and the must draw on that data.

Senator BILYK—Could I just clarify that comment? You think there would be four childcare centres going through local councils? Is that what you said?

Mrs Bridge—Going into councils, yes.

Senator BILYK—For approval?

Mrs Bridge—Yes.

Senator BILYK—That is certainly not the case in Tassie. I can guarantee that. So I think we need to be a bit careful, so that we can guarantee things.

Mrs Bridge—We subscribe to the Cordell report. We get a report every week, and every week there are centres going into areas in Queensland.

Senator BILYK—In Queensland?

Mrs Bridge—Yes.

CHAIR—So they are applying to set up centres in Queensland?

Mrs Bridge—Yes.

CHAIR—Did you say that the figures that were published some years ago showed that there were four centres needed? Did you mean across the whole—

Mrs Bridge—Sorry, that could have been Queensland, too.

Senator JACINTA COLLINS—I think that was Queensland. I remember one Senate estimates where we heard about 10 areas where the department said that they had sufficient data to demonstrate a huge undersupply. But I agree with you about the level of data and the usage of it.

Senator BILYK—We just need to be careful with what we say, as opposed to what is actually happening.

Mrs Bridge—Yes, it probably is not in Australia. But a lot of areas in Australia are still building.

Senator JACINTA COLLINS—I suppose, in part, your answer to my question is that there is an enormous amount of data that does actually exist.

Mrs Bridge—Yes.

Senator JACINTA COLLINS—I remember one process I did in the past, which was to map demographic data we had against supply data to get a sense of where levels of oversupply and undersupply were, so that is certainly available to government. That data exists, but it is more about re-establishing the appropriate mechanisms to utilise that data to some effect. You are then looking at it coming down from Commonwealth to state and local government planning arrangements to give it some effect, which is probably what we are going to need to grapple with here.

Mrs Bridge—We believe the planning advisory committee that was in operation in the late nineties was very effective. That involved federal government, state government and local government. It drilled down into every area and was able to tell you whether there was going to be a piggery established and how many workers there would be. We were able to get a really good grasp on it. It was quite a shame when that committee was disbanded, but it was only ever brought in for a two-year period. It was not disbanded because it did not work.

Senator JACINTA COLLINS—I would like to go to a point you made earlier in relation to the problems about supply and its association with different age groups, regulations and room requirements and those sorts of issues. With the consultation process for the Commonwealth's current strategy, are you aware whether the regulation framework around younger children is addressing the additional costs and how they should be borne across the board?

Mrs Bridge—Access Economics have done a costing on it but we are really concerned with their result, because at one point they say a dollar a day more for families. We are looking at an

awful lot more than a dollar a day if you are going to take about six places off a 65-place childcare centre.

Senator JACINTA COLLINS—That is certainly an issue, but I am really asking about how much more it is going to cost to change the childcare ratios and room arrangements. Also, how do we facilitate a larger supply of baby places as opposed to other places within the sector?

Mrs Bridge—I do not know. If you reduce ratios you deplete the number of babies that are being cared for. There obviously have to be higher subsidies for babies in the nought-to-threes to encourage people to take more babies and to turn vacant rooms into baby care.

Senator JACINTA COLLINS—Is that part of the dialogue at the moment that you are aware of?

Mrs Bridge—We have lobbied very hard for increased funding for the nought-to-threes.

Senator JACINTA COLLINS—What is the feedback you are getting at this stage?

Mrs Bridge—It is very quiet.

Senator JACINTA COLLINS—Thank you.

Senator BILYK—In your submission you say that you represent the interests of providers of childcare services. How many childcare services do you represent?

Mrs Bridge—We represent around 800 in Queensland.

Senator BILYK—Does that include ABC?

Mrs Bridge—Yes.

Senator BILYK—Can you tell me how many ABC centres?

Mrs Bridge—High 200s.

Senator BILYK—So about a quarter.

Mrs Bridge—Yes.

Senator BILYK—Your submission also mentions:

... media and certain sectors continue to report an undersupply of available places—

and you spoke about that effect. Your submission goes on to say:

These reports encourage a developer to go ahead and build a large centre, still catering for a small number of 0-2 years ...

First of all, if a private provider builds a centre and there is no demand, isn't that their problem?

Mrs Bridge—The trouble is the developers build them and then onsell them to people with an estimate of what the income is going to be.

Senator BILYK—Okay, but shouldn't the providers do their own homework?

Mrs Bridge—Under due diligence they should, but because there has been so much out there along the lines of 'buy a childcare centre and you're set for life'—

Senator BILYK—I am a bit shocked to hear that!

Mrs Bridge—Yes, with the grey hair and everything that goes with it!

Senator BILYK—We won't go into whose approach that might be! But okay.

Mrs Bridge—So we are concerned that a lot of people have invested in child care where this is the case. They have been sold on projected income and they have taken over an empty centre.

Senator BILYK—Okay, but you are not implying the government has some responsibility to do something there, are you?

Mrs Bridge—In the planning, yes.

Senator BILYK—What about at a lower level, at a local government level, for example, where they approve those buildings going ahead? One would think the knowledge would be there.

Mrs Bridge—We have lobbied local government. They pass the buck to the state government, and the state government pass it to the federal government. But the only successful time we ever had was when the federal government introduced that two-year planning process.

Senator BILYK—Okay. And I am not against that planning process; I am just thinking that surely the federal government is not responsible for everybody that wants to build a childcare centre because they think they might make a quick buck out of it. People do that—

Mrs Bridge—It is just that the end result is our children.

Senator BILYK—with fish and chip shops, lawnmower shops and all sorts of things; to me it is the same argument.

Mrs Bridge—Well, it is a bit different, because families are involved in this one.

Senator BILYK—Of course, but if it is an empty centre—if they are building a centre that there is no demand for, then where does the buck stop?

Senator HANSON-YOUNG—The difference is that it is the federal government that has its hands on—

Mrs Bridge—The CCB funding.

Senator HANSON-YOUNG—the levers of funding. That is the connection, ultimately.

Senator BILYK—Sorry?

CHAIR—We should not have a debate.

Senator BILYK—No, I did not quite hear the comment from Sarah.

CHAIR—And we might ignore that. Do you have any further questions?

Senator BILYK—Yes, I do. In your submission you also mention staff trained by ABC Learning, saying:

... staff trained by ABC appear to have a shortfall of experience in areas such as management—and things like that, and I do not know if that is right or wrong; there might have been a shortfall of experience in those areas at a higher level.

You go on to say:

An ex ABC applicant when interviewed by a private centre director was intent on finding out how much money would be allocated for craft, equipment etc.

I actually asked that question myself at a centre this morning. As I said earlier, I worked for many years in the childcare industry. But the feedback I had from ABC people in Tasmania was that they actually had to pay for the craft supplies themselves, so that might relate to why the question was asked. I think, when giving submissions, we need to be a bit careful about how we word things. I note that you also say in your submission that ABC members of your organisation would not allow you to distribute your newsletter at their centres. Do you have any comment on why that might be—what rationale was behind that?

Mrs Bridge—I guess they wanted to screen everything that went into their centres rather than just having us post stuff to them.

Senator JACINTA COLLINS—Can I just clarify something. You mentioned that 200 ABC centres were members; how does that work in terms of the ABC structure? That is not all of their centres, because there must be—how many in Queensland?

Mrs Bridge—It must be nearly 300; I think I said high 200s.

Senator JACINTA COLLINS—It is actually all of their centres?

Mrs Bridge—Yes.

Senator JACINTA COLLINS—Okay.

Mrs Bridge—And we work very closely with them on many issues.

Senator BILYK—You also made the comment:

Community childcare centres also depend on volunteers and do not have liability coverage if something should happen to a child while in their care.

Can you validate that comment?

Mrs Bridge—It was something that was expressed recently—

Senator BILYK—By?

Mrs Bridge—by a local organisation here—that the parents were not covered. We have directors indemnity cover, but the parents are not covered for that. It was in the newspapers recently. I could try and find that article for you.

Senator BILYK—I would be interested if you could, just so that we could follow up on that. The liability might vary from state to state.

Mrs Bridge—Yes, it probably does.

Senator BILYK—I would be pretty concerned if any community childcare centre did not have liability coverage.

Mrs Bridge—It was the volunteer workers who were doing the books and so on. I think it was that sort of cover. It is not general.

Senator BILYK—The submission states:

... if something should happen to a child while in their care.

That would not imply someone doing bookwork.

Mrs Bridge—No. I would need to check that.

Senator BILYK—Could you take that on notice and provide us with the information?

Mrs Bridge—I will.

Senator BILYK—Thank you.

CHAIR—Are you done, Senator Bilyk?

Senator BILYK—If the time is up, I am done, Senator Humphries.

CHAIR—I think it pretty well is, yes. The witness could take questions on notice, I am sure. I have just a couple of short questions. Can you give an approximate—and I realise this is very hard—percentage of the overheads of an average for profit childcare centre which is taken up by rent?

Mrs Bridge—I could not give you that off the top of my head. I know that the rents for a 75-place centre are about \$100,000 to \$120,000 a year.

CHAIR—You could not say what the average total running costs of a centre like that were?

Mrs Bridge—No.

CHAIR—It was a very hard question, so thank you for trying. You mentioned that there has only been one release of the vacancy figures for childcare centres. Should they be released again and on a regular basis?

Mrs Bridge—We believe so.

CHAIR—Lastly, under the heading ‘Financial aspects of the ABC collapse on industry’, you have ‘Increased regulations—both state and federal’. Are you implying that we have unnecessary levels of regulation at the moment, that there are burdensome levels of regulation?

Mrs Bridge—We have that overlap of regulations, which was identified previously as well. Since 2000 regulations have really stepped up. At many meetings that I have been to, people have stood up and said, ‘Because of private sector operations, we should be increasing.’ We are hearing it all the time. It is just a shame that every private centre is put down by a lot of the media and that government seem to think that we are only in it for profit, because that is far from the truth. It is all about our community and the families that live within our communities.

CHAIR—That is a good comment. Thank you very much. I am sorry we need to bring it to a close there.

Mrs Bridge—Thank you.

[12.38 pm]

HARVEY, Mrs Tempe Margaret, Director, Children Need Parents Campaign

CHAIR—Welcome. The committee has agreed to provide a short opportunity for a group called Children Need Parents Campaign to present to us for five minutes. It is not on the scheduled program, but we have agreed that that should be possible now. We will permit Mrs Tempe Harvey to make a short, five-minute presentation. Unfortunately, we will not have the opportunity for questions and answers because this is an unscheduled part of our program today. We are willing to give you some time to put on the table the issues that your organisation wish us to have in front of us. I invite you to make that short presentation.

Mrs Harvey—Thank you very much for giving me the opportunity. I really appreciate it. I represent Australia's biggest childcare provider—that is, parents. We are by far the largest provider of care in this country, and most parents if they had a genuine choice would prefer to deliver care to their children. I feel that parents have been cut out of the childcare debate. It has been focused on what I would call third-party care—that is, on anyone who is not the parents. I am arguing that the current model for children's care in Australia is socially unsustainable. It will harm children and it will harm our future social capital, which is so vital for a civil and harmonious society. That is because there is systemic discrimination against what you could call parental childcare in Australia.

Tax policies and childcare funding contribute to this situation. It is hard enough trying to deliver care to your own children on one income or on a very limited income in the case of sole parent families, without having the tax laws and the childcare funding laws discriminating against you. Where the mother in a two-parent family chooses to provide full-time care for her children, that family will get only one tax-free threshold. When you compare the tax on that family with another family on the same income, you find that they are taxed at a higher marginal rate. If that tax makes a difference to those families, it will force them to make a choice to go into the paid workforce.

My real concern is the child-care funding. I have with me a document, which I mentioned to the secretary. It is a two-page funding analysis which I have done on the forward estimates for 2011-12. It shows that, if you take all of the funding that this country provides for third-party care and compare it with the funding for parental care, parents receive on average half as much per family to care for their children as do third-party providers. This is forcing parents in low-income families to chase the extra subsidy and to go out to work. They are leaving their children to get paid work when they would rather be doing the job of parenting—mothering or fathering—their own children. What children need is hands on, eyes on parenting for 18 years, not for 18 weeks or for anything else.

The preferential funding for third-party care is creating a vicious cycle of double-income dependency, which is forcing, as I said, mainly mothers in low-income families into the paid workforce. This raises the cost of living because there are more double-income families in society and this puts pressure on single low-income families. This cycle will go on until there are

no mothers left at home. The result is that more children will go to third-party care when a lot of people would prefer to care for their own children.

Because we are basically a carrying mammal, babies and children need the smell, touch, feel and face of their mother to develop properly. The longest and most authoritative study on this, which I quoted extensively in my submission to the inquiry, was done in the United States. This longitudinal study, known as the NICHD study, shows that there is a much higher risk of depression, aggression, anxiety, even cruelty, lack of empathy and other behavioural problems in children, depending on the amount of time they spend in day care in particular and that these problems persist for life. This longitudinal study has been going for 15 years. The 15-year-olds in the study have now been identified as having lower cortisol levels, which was a previously unheard of finding. However, the study also finds some benefits from long, early day care. It is not a biased study at all; it is an extremely high level study—a \$150 million study. There are some mild cognitive benefits from early day care. I have to stress that the disadvantages or the harms that I have referred to are also small, but the concern is that these will aggregate. Whilst you may have two disruptive children in a classroom who have spent a long time in early day care and the teacher may be able to control the class, what is going to happen when that is 28 out of 30 children? These harms will snowball, and I am convinced that this will make our society a very uncivil and violent place.

The two-income dependency which comes from this funding cycle means that children are being harmed long term. We have primary children spending long days in before- and after-school care. I believe that is harmful. I am sure that studies will show that that is not a good thing. As Steve Biddulph, the psychologist, pointed out, adolescents, who need their parents the most in this toxic society of ours, are left unchaperoned for hours to face all the kinds of harms you would expect.

I cite Sweden as the example of where we are heading. They have moved across from parental to third-party care by preferentially funding it, like we are doing here. They introduced paid parental leave. They basically said that you had to be in it to win it, and that is what we are saying in Australia too. Paid parental leave spun out from the initial period of its introduction, as is going to happen in Australia if we introduce it. The demand for taxpayer subsidised child care exploded off the back of that, and taxes have risen to an extent where no-one in Sweden, except the super rich, can survive on a single income. This means that 81.3 per cent of Swedish children aged between one and five are in day care centres.

The social problems amongst Swedish teenagers are getting way out of control. The mental health problems of adolescents are horrendous. I believe that is where we are heading in Australia. We need to adopt a funding model for children which respects equally the care choices of parents. There is a movement in Canada of this name. There are organisations around the world campaigning, as I am, for a 'fund the child' policy. This puts the power in the hands of the parents. It takes all the direct or indirect funding away from any kind of child-care industry and gives it to each parent as a payment per child so that the person who loves the child the best, who knows what is best for their family, can make a decision to use that money either to supplement their income so that they can provide personal, loving care for their child at home for 18 years if necessary or to return to the paid workforce and use some kind of formal or informal child care.

CHAIR—Mrs Harvey, thank you very much indeed for that submission.

Proceedings suspended from 12.46 pm to 1.36 pm

Evidence taken in camera, but later resumed in public.

Evidence was then taken in camera but later resumed in public—

[1.55 pm]

DUDLEY, Ms Sheridan, Chief Executive Officer, KU Children's Services

CHAIR—We will now resume the public hearing after completing the in camera portion of the hearing. I again welcome Ms Sheridan Dudley. You have presented us with two submissions now. Would you like to make another opening statement with respect to the issues in your submissions?

Ms Dudley—I would just like to say that in our original submission we argued that there needed to be a rebalanced model of child care in Australia. We think that the view of child care as a commodity, as an industry, needs to be reframed around community service; that child care is not a profitable business and it should not be permitted to be operated by large corporate providers who distribute profits to shareholders and investors; and that a single provider should not dominate the market. We also argued that the supply of places ought to be regulated to ensure that supply matches demand. Our concern is that at the end of this process over the last year in the market there is still going to be one huge company dominating the market. The number of not-for-profit operators in the sector has increased only marginally and supply and demand is still unregulated, which is going to lead to problems in the longer term about under- and over-supply. Child care is still going to be seen as a commodity to be bought and sold like a hamburger.

We actually think that it is time that the government and the community have a clear idea of what the policy position is in Australia about the role and function of early childhood. Is it an essential part of the education system that should be affordable and accessible to all and funded—like primary education, for example—to the providers, or is it an optional extra paid for by parents? We think that that has been cast into strong relief by the release of the government's new child care strategy and the RIS. Whilst we absolutely applaud and support what is contained in those, the question is: where is the money coming from? There are only two places that fund child care: parents and governments. Parents are already stretched and the providers have no funds of their own. KU believes that unless the government rethinks this and sees this as education and funds providers accordingly, as they do at primary schools, KU and others are going to be forced to close some of our services in the next several years in the lower socio-economic areas, where they are most needed, because they are unaffordable. That would be a tragedy.

CHAIR—I do accept that, after the experience of the collapse of ABC Learning, people have been legitimately drawing attention to the inappropriate application of some business practices into child care and that the collapse of ABC Learning is attributed to some of those practices. I wonder, though, whether we can really make a case for saying that the problem can be put down to it being a for-profit provider in a large scale in the sector. You said that the problem with what has happened in the past is that:

... there is no place for large, corporatised providers (whether listed or not) which provide dividends to shareholders and investors because of the conflicting priorities involved.

Don't all for-profit operators have to, by definition, provide a profit? Whether it is provided to shareholders, who are individuals out in the community who you may not be able to name, or whether it is provided to members of the family of the family company that operates the business, they, almost invariably, are corporate entities, they all have to make a profit and they all provide those profits as dividends in one form or another to shareholders, however described. Is it really fair to say that one kind of operator cannot be in the sector and other smaller varieties of the same beast can?

Ms Dudley—It is a very vexed question. We would argue that when you are a listed company or you have investors who have invested because they want to make money and not because they want to provide child care—it is a question of why they are doing this—companies start to be driven, as they should be under the Corporations Law, by the interests of the shareholders or the investors. Once that happens, the expectations start to be ramped up and providing high-quality, affordable child care stops being your primary focus because you are being driven by the investors, who are in there to make money and not to provide high-quality care. That is where the conflict of interest happens. As soon as your driver stops being the provision of high-quality affordable care and making a profit for the providers becomes your driver, it becomes: 'We have invested in this company like it was a hamburger chain or a tobacco company and we expect a return.' Once that is the driver, every time there is a decision to be made the provision of child care is likely to be compromised. I have given a couple of examples of that in the submission, such as children being given half a page of A4 paper a day to draw on and the points of sandwiches being controlled. That is not quality child care.

CHAIR—I think we all agree with that, but whether that is a necessary consequence of large corporatised providers or not, I wonder whether we read too much into one collapse to say that.

Ms Dudley—CFK was, I would argue, a similar situation in New South Wales.

CHAIR—You said on page 15 of your submission:

The current policy levers encourage centres to be set up in areas where higher fees can be charged ...

What sort of areas do you mean?

Ms Dudley—Higher socioeconomic areas. You can charge higher fees on the North Shore of Sydney and in the eastern suburbs of Sydney, and KU does that too, unashamedly, because we cross subsidise our centres in south-west Sydney; otherwise, those centres would not exist.

CHAIR—You also said:

Child care should primarily be delivered through a community-based model (including not for profit, local government and small independent providers) to ensure real access for all children regardless of ability, race, socioeconomic status.

Do you imply with those words that there are for-profit providers who discriminate against people on the basis of race or who do not take children with certain lower levels of ability?

Ms Dudley—Yes, I think it is quite apparent that children with special needs are not catered for by, certainly, the larger for-profits and some of the smaller ones. Often it is not their fault

because the cost of supporting children with additional needs, as I also argue in the submission, is not actually covered by any funding. At KU we put in over \$200,000 a year of our own resources into supporting and including children with additional needs in our centres. If you are a small, stand-alone for-profit, you really cannot afford to do that, and, if you are being driven by shareholder interests, why would you lose that \$200,000 a year? We know that the not-for-profits have a higher level of inclusion of children with special needs than have the for-profits; that is just simply a fact.

CHAIR—Isn't the answer then to provide appropriate subsidies for those sorts of children rather than say that only the not-for-profits can enter that market.

Ms Dudley—Yes, we would strongly that, if that were the case, it would certainly remove the particular argument about special needs. We argue that parents need a choice. KU would never argue that there should not be any for-profits in the sector. I do not think that that is a sensible argument. There are private schools and private aged care providers and the private market has a place. It is actually about making sure that quality, affordable education that includes all children is being provided. If that can be achieved, that is fine.

Senator JACINTA COLLINS—Just on that same point: there are corporate aged care providers, too. I suppose the more controversial statement you have made is that there should not be corporate providers. I wanted to go back to an earlier discussion where I think we were talking about some of the extraordinary business practices, rather than just business practices per se, that have been unearthed as what occurred under the operations of ABC. Is it partly an issue of what extraordinary business practices were allowed to occur under business regulation and delivery of childcare services regulation? Or do you simply feel that in this field there is no role at all for a corporately-listed company? I should add that the other factor there was, of course, the scale to which ABC was allowed to develop.

Ms Dudley—I think there are two issues there. Firstly, we are concerned about not just corporate organisations, because we are a corporate organisation under the corporations law as well, but organisations that pay dividends to investors or shareholders—big corporates that are listed, or private equity organisations that are paying dividends to investors; I would put both of those in.

The other half of it is that it is about market balance. If you can balance the market so that nobody is so large that they dominate then it offsets some of those issues to some degree. But I would still argue—and this might be something that the accreditation system could manage better, too—that we must ensure that the drivers for child care, as we insist on in a school, are education and care, not profit.

Senator JACINTA COLLINS—Moving back now to issues around planning: with the current strategy and the options that are being addressed under COAG, where would you see some regulation of supply and demand being organised from?

Ms Dudley—We think it probably needs to be done federally, as it was previously in the early nineties; there was a planning mechanism. Now that the market is mature, we think that it would not be a silly idea to perhaps use a policy model similar to the aged-care model where you cannot establish aged-care home beds that get government funding unless the government says,

‘Yes, there’s a need for them.’ We think that a public policy model already exists for that kind of regulation.

Given that the market is mature, we think it is probably time that it was regulated, because child care is local. It is no good having places 10 kilometres away when you are here; parents regard that as having no child care. So we think that supply and demand ought to be regulated nationally in consultation with the states. We think that it ought to be balanced so that there is neither oversupply nor undersupply, because if the government’s policy position—and we support this—is that every child ought to have access to affordable early education and care, then it has to be available, just as schools are. We regulate at least the basic public provision of schools so that everybody has access, and then privates can set up in addition if they want to. But the underlying framework has to be: if you expect everyone to have access, you have to make sure that access is available.

Senator JACINTA COLLINS—Finally, going to your comments about how we should fund early education in the future and the complexity that exists there: I am curious about that; can you flesh that out a bit further? Are you suggesting that we abolish CCB and the tax rebate and substitute direct funding to facilities, or is there some other framework that you are suggesting?

Ms Dudley—I think that needs to be seriously considered. There is no doubt that parents disconnect the payment of a rebate—which they get at the end of the year—or the childcare benefit from the fees. They actually see that as some sort of subsidy they get from the government. And over here they see their childcare fee. They do not necessarily connect them, or see that one is to support the other. So some of that money, particularly in the lower socioeconomic areas, just goes into the ongoing business of living, and then they cannot afford the fee.

I guess the other argument around that is: if we expect child care as a public policy thing to be education with a qualified teacher and an educational program then I think we should start seeing it in the same light as we see schools. You fund the school. Government pays the provider, not the parents.

I think the public policy decision that has got to be made is this: is this an optional extra, where we support the parents to go if they can and want to, or is this an essential part of the foundation of learning for our children? Instead of saying, ‘School starts at five and therefore the public purse will fund free education from five,’ it seems to me that the government’s policy position is saying, ‘Learning starts much earlier and we need to support that.’ If that is the case then we need to start saying, ‘How do we fund the providers to make sure it is accessible, affordable and of good quality?’ rather than going through a rebate and a CCB system.

Senator JACINTA COLLINS—Which is in some ways currently being addressed in part by the preschool year, but that is an enormous challenge in itself.

Ms Dudley—I guess we would say that is still fraught with how that will play out in terms of money coming to the providers, because the biggest barrier for preschool, particularly in New South Wales, is affordability. Parents fund 80 per cent of the cost of preschools except in the Department of Education and Training schools, where it is free—or there is only a small charge.

Senator JACINTA COLLINS—In theory, for disadvantaged children.

Ms Dudley—Not in practice; they are just normal. So there is a real issue about how this is going to play out in preschools. There are only 800 preschools in New South Wales, so that year of preschool education will actually have to be played out in the long day care centres.

Senator HANSON-YOUNG—KU put in an expression of interest to take on some of these 241 centres out the failed ABC2 group.

Ms Dudley—I think I have answered that question.

Senator HANSON-YOUNG—That is fine. When the collapse happened, were you contacted by parents and staff about what would happen? What was the real day-to-day impact of the collapse? We have heard about what it has meant to the sector as a whole, but what about the day-to-day operations of centres such as yours?

Ms Dudley—Our parents were just really happy that they were with a KU centre, but we did see enormous uncertainty. Parents were coming to our centres and saying: ‘We don’t know if our centre is going to be closed. I don’t know whether to distress my child by moving because I don’t know whether my centre is going to close. Should I move my child now? Should I wait until it closes? Then I mightn’t get a place.’ It was very stressful for parents, and that played out with the children—stressed ABC staff, stressed parents and stressed children. We saw a lot of parents who did not know what to do and who were very distressed as a result of that. Some of them just said, ‘We’re over the private sector. We’ve watched all these failures. We’re coming to KU if you’ve got a place because you’ve been here for 114 years.’

Senator HANSON-YOUNG—How is the feeling now, eight months on?

Ms Dudley—I think there is a widespread belief that it has settled down, but my belief is that that is actually not the case, that we are essentially where we were nine months ago, before ABC collapsed, and that all the same problems may yet be in store. Not necessarily immediately but over the next five or 10 years we may be here again and parents will have the same problems.

Senator HANSON-YOUNG—Based on that do you see anything the government has done thus far to avoid that happening again?

Ms Dudley—No, I think it is a missed opportunity. I think that there was an opportunity to change some of the rules around how the 241 centres might have been placed on the market given that it was a court appointed receiver and the government had a much closer say in that than it would with a generally appointed receiver. The government had the opportunity to set some closer rules there. There are 710 centres that, according to press reports, are going to be sold in one line, which will leave us with one huge market-dominating organisation. Regarding those 710 centres, the government had the opportunity through the fact that it provides CCB and accredits centres, and states through licensing, to say, ‘No, we’re going to change the rules now while it’s in receivership. We’re going to reset the policy levers and you can sell it in the new context.’ The government had a window of opportunity which has been missed.

CHAIR—It has been missed, I suppose.

Ms Dudley—I believe so. Because the receivers are fixing to sell it and there is no new regulation—there is no new anything—I think it is too late. The receivers needed to restructure in the context of knowing what the new business rules would be. It would be very hard for the government to impose new business rules five minutes before it is tendered out.

Senator HANSON-YOUNG—We heard today at our site visit that it is very difficult to find qualified staff, whether that is because working conditions are not up to what people want in terms of value for money after studying or whether there are not the qualified people coming through the system because of a skills shortage. From your non-profit perspective, do you believe that that is the case and, if so, what do you see is being done to address it?

Ms Dudley—I think there are perhaps three issues. The first is that qualified early childhood teachers in most states, certainly in New South Wales and Victoria, are remunerated less than primary school teachers and it is not seen as a profession. If you are a primary school teacher, it is seen as a profession. If you are an early childhood teacher in a childcare centre, it is not seen as a profession and it is paid lower. Unless teachers are passionate about early childhood they gravitate to lower primary. That is one driver and I think that needs to be fixed. There is no sign yet that it will be. I am hoping that rethinking the public policy nature of childcare might actually help that.

The second issue is around whether it is hard to attract qualified staff due to working conditions and things like that. KU's experience is: no. We generally are able to attract qualified, experienced staff. We have a policy of having a university qualified early childhood teacher in every KU centre. Every KU centre has that and we have no exemptions from the department for not having one where it is required.

Senator HANSON-YOUNG—That is your own KU policy; it is not government policy?

Ms Dudley—That is our own policy because it is about quality. It is what the government wants to bring in, but it is our policy. We do not have terribly much trouble attracting high-quality staff because we have good working conditions. We are passionate about quality, and people want to work in that kind of environment. If the government's reform program is adopted, with the requirement for qualified staff in every centre—because most of the corporate childcare sector does not necessarily have a university qualified early childhood teacher—there is going to be a need for those and it is going to take a while for them to push through the system. People will be attracted to do that if the wages are the same as those for teaching in primary, so those adjustments are going to have to be made.

For childcare workers we will need a long transition period. New Zealand managed to impose having a qualification on every childcare worker. There was a lot of angst about that but, because there is a transition period, you can get everyone to get a cert III. There will need to be some support for that because we will have to take people out of centres, fund them and do all that kind of stuff but, yes, it is possible.

Senator HANSON-YOUNG—What is your opinion on whether those university qualified people should be full-time on the floor, as opposed to perhaps being in administration? That to me seems—

Ms Dudley—Wasteful?

Senator HANSON-YOUNG—wasteful.

Ms Dudley—We would agree with that. In long day care centres—I am talking long day care because at preschool your director is on the floor almost all the time—you can have non-teaching directors. They provide educational leadership for the centre and the mentoring and support for the staff. But we would still have qualified staff leading the children in the rooms. We try to have our director on the floor quite a bit of the time because they want to be and we want them to be. We think that not having your only qualified person on the floor at all is not a particularly good model for using their skills. We think they need to be at least in a room as well. At KU, when our director is off the floor they are replaced by a person with equivalent qualifications so the children still have someone of equivalent qualifications looking after them. That does not happen in a lot of centres where, rather, the qualified person happens to be in the office and they have unqualified people actually with the children.

Senator HANSON-YOUNG—Do you believe that the current draft standards deal with that?

Ms Dudley—What is meant to happen is that the right people are face-to-face with the children. My concern is that we might need to be more explicit about that. In New South Wales in particular that is what is meant to happen, according to the regulations, but it does not always happen. I think there might be a need for some tightening up around what it actually means—that there needs to be a university qualified person actually interacting with the children, certainly in a preschool room. We also have some with our babies, because education is happening for babies, too.

Senator HANSON-YOUNG—It seems that perhaps in some centres it ends up the other way around because they end up being the most qualified person in the centre so they become the director. They are then not necessarily the people who are engaging with the kids.

Ms Dudley—We do it with schools, don't we? We promote the best teacher to be the principal.

Senator HANSON-YOUNG—In your submission you talk about and in fact argue that the market has failed the childcare sector and there is a mismatch in terms of supply and demand and it has been distorted. Can you give us an example of where this mismatch has really occurred, something tangible?

Ms Dudley—Yes, I can. For example, around Kellyville and Bellavista in north-west Sydney KU has a centre there, in Bellavista, operating at 70 per cent occupancy. It has been struggling for the five years that we have had it. There were two CFK centres there and there were a couple of ABC centres. All of them were on low occupancies because there were simply too many centres for the demand that was there. How do I know this? When the two CFK centres closed and I think an ABC centre either closed or its occupancy dropped right down, our Village Green centre was full. This really tells us that nobody missed out on child care in that area. The children were redistributed around the other centres operating at about 70 per cent occupancy. But when you bring your occupancy up to 90 to 95 per cent then you can really start to provide quality affordable care because you have got enough income to do that instead of having more

centres struggling. If you balance supply and demand that actually means that everybody can operate at a much more viable level, and so the quality is better. That is an example of where we saw that with our centre.

CHAIR—Ms Dudley, would it be better in respect of that last issue if the government again published figures on childcare vacancies?

Ms Dudley—This is a really difficult thing to do. I cannot tell you what KU's vacancies are on any particular day because the definition of 'vacancy' changes, and I think you guys know it is very hard to define what it is. We enrol children all the time so we would be constantly saying, 'This is what it is.' Vacancies change day-to-day. On a Monday, for example—I was at our centre in Brisbane this morning—the occupancy is low. Tuesday's is up, Wednesday's is high and Thursday's is high. It varies day-to-day so you cannot actually say, 'This centre has this many vacancies.' It might only have that number on a Monday and on a Wednesday it might not have any. It is really hard to do that.

Senator HANSON-YOUNG—How do you expect government to participate in effective planning if they are not gathering this data and aggregating it to a point where it is accessible?

Ms Dudley—I think you can do that, but not on a day-to-day basis for parents wanting to know where to get child care. It is really hard to make that work. What is possible to make work is this. We do data collections for the department and all the rest of it about what our average staff number is and about places and if we have waiting lists and those kinds of issues. We can certainly—and in relation to preschools we do—tell our funders how many children we have and how many licensed places we have on an average basis. For planning purposes that is fine, because it says, 'Do we have lots of children on waiting lists or do we have lots of vacancies?' For planning purposes that is what you need, not the day-to-day vacancy rate.

CHAIR—Thank you very much indeed, Ms Dudley, for that evidence. It has been really useful.

Ms Dudley—Thank you for inviting me.

[2.24 pm]

BROIT, Ms Nadine Elyse, Franchisee, Dial an Angel Brisbane

CHAIR—I welcome Ms Nadine Broit. Do you have anything to add about the capacity in which you appear?

Ms Broit—I have been the Brisbane franchisee of Dial an Angel for 23 years.

CHAIR—We have a submission from you. Thank you for providing that. I invite you to make a short opening statement. Then we will ask you some questions about the issues in your submission.

Ms Broit—I have a very short statement. We need a choice of child care in Australia. We need to be able to have it either in the home or in a childcare centre. We have situations where we have children with special needs, children with severe allergies and parents who do not want to send their children into childcare centres for various reasons. There are localities, especially in Queensland and Western Australia, where you cannot get access to childcare centres. They might be able to get a live-in nanny, however. We just want a choice. We want to see in-home child care recognised along with childcare centres. But we want qualified carers. We want to see child care as a profession, not just something that you do because you have nothing else to do; a fill-in job. We want qualified carers to be able to go into homes and provide one-on-one child care. Very simple.

CHAIR—A very succinct statement. Thank you very much indeed. I might start by declaring a small interest. I used the Dial an Angel franchisee in Canberra many years ago.

Senator JACINTA COLLINS—I will have to declare that as well.

CHAIR—It is all coming out now. We all have a conflict of interest, perhaps. How would you respond to some of the comments made in the Childcare Queensland submission? They argue against providing access to subsidies for in-home care on the basis—and I am summarising here—that children need the experience of mixing with other children in a group dynamic. They also argue that it is harder to maintain and monitor standards when it is taking place in people's own homes.

Ms Broit—Certainly. On the first question, we have nanny circles. In our Brisbane office alone, we have over 70 nannies who do part-time and full-time nanny jobs with various clients across Brisbane—north, south, east and west. Quite often, we have been asked by the parents to supply them with another nanny in the area who they can get together in a park with once again. They still do jimboree and take the children along to that; they can still do music groups. They are a substitute mother. So I would not necessarily say that you could not have socialisation situations in the in-home area. It does happen. What was the other question?

CHAIR—The other question was about the monitoring of quality of care.

Ms Broit—With our agency, there are two ways of getting nannies. One is when they employ Dial an Angel to provide a fully qualified person. We then do their tax, their super and so on. We have to be 120 per cent sure that that person is qualified. They have to have a minimum of the children's diploma through TAFE and at least 12 months hands-on experience. Our babysitters—the ones who go out at night for babysitting—must have had their own children or have some sort of qualification in child care. We do not just send people from off the street and say, 'There you go,' just because they have a blue card. And I tell you what: there have been some people I have seen with blue cards who would not put on through our agency for various reasons. The quality of in-home child care has to be monitored. There has to be a level. I would insist on that.

CHAIR—Obviously, some of the senators on this side of the table could attest to the quality of Dial an Angel. But are there other operators in the sector for whom that might not be possible?

Ms Broit—Absolutely. You even have online carers now. You do not even have an interview with people. You can go online and book a babysitter. You do not even know if you are getting a babysitter. The babysitter who registers themselves online does not even know if it is a legitimate family that they are going to visit. It could be some crazy person who has put themselves down as needing a babysitter for a Saturday night. You are leaving yourself open to situations that are beyond your control in many ways.

CHAIR—Doesn't that validate the argument that Childcare Queensland are putting that you cannot be sure of the quality that you are getting with in-home child care? Therefore, you need—

Ms Broit—True. I have to be honest. There are people who run businesses from home. They do not run it as a professional business. I really think that we need some guidelines on who is providing in-home care. You will always have people who are not qualified doing child care—not through agencies, but through advertisements in the newspaper, for example. We have discovered people from the Philippines here doing nanny jobs who do not even have current work visas. You will always have that. But by giving reputable agencies the ability to provide in-home care is where you will be able to have some level—a very good level—of accreditation. We follow guidelines.

Senator HANSON-YOUNG—I just want to tease out for the committee and for the sake of the *Hansard* recordings why you believe that perhaps the same focus that is being given to child care in a centre is not supported as much by government for in-home care situations.

Ms Broit—I honestly could not tell you at this stage. I must admit that I have not taken a lot of notice of childcare centres over the years. I have always concentrated on my in-home care, both child care and aged care, which is what we do.

Senator HANSON-YOUNG—You said in your opening statement that you believed that it was important for parents to have a choice.

Ms Broit—A choice to keep their children at home or—

Senator HANSON-YOUNG—take them to child care. You do not believe that choice—

Ms Broit—Financially.

Senator HANSON-YOUNG—Why is that?

Ms Broit—Because it is too expensive. We get 60c an hour rebate for the child care compared to \$3.60 an hour.

Senator HANSON-YOUNG—So it comes down to the public subsidies.

Ms Broit—It comes down to money.

Senator HANSON-YOUNG—I know some organisations that do this. I am not sure of the ins and outs of Dial an Angel, because I have never tried to claim my receipts from Dial an Angel. I declare that I have used Dial an Angel. I know that because they are registered you can as a parent claim the childcare rebate, for example, for using some other nanny organisations. But often those nanny organisations do not provide an opportunity for full-time care, either.

Ms Broit—You can have full-time nannies. People who have more than two children look at Dial an Angel as a viable alternative because it is cheaper. We only charge an extra \$2 an hour for each additional child after the first two children. The more children people have, the cheaper it is to have in-home child care. But they do not get the rebate. We are registered for the rebate. We can get our angels to hand out their receipts and the clients can go and claim them back. But it is a lot of extra paperwork. It would be much easier if we were allowed, 50 places—25 part-time and 25 full-time places—and we controlled that. The government controls who gets the childcare rebate. Adelaide does that at the moment. They have 50 places. The government has offered them. They get control of who the help goes to and how much rebate they get.

Senator HANSON-YOUNG—What you are saying is that there is a lack of consistency between in-home care and care at a childcare centre regarding the ability to claim the rebate.

Ms Broit—That is right.

Senator HANSON-YOUNG—Obviously, for childcare centres there is no question about it.

Ms Broit—People often ask us, and we say that it depends upon their income, how many children they have and so many other things—and it changes all the time. Over the last 15 years, it has changed a lot. Child care used to be able to be claimed from Medicare. Then it went through to Centrelink. People are confused, especially with in-home care. There are no set rules.

Senator HANSON-YOUNG—What would you like to see the government do to help address that?

Ms Broit—I would like it if people had the choice, so that if they wanted to use a nanny agency, even a part-time nanny agency, rather than go through a childcare centre they could have equal opportunity to access that help.

CHAIR—Access to the childcare benefit?

Ms Broit—Yes.

Senator HANSON-YOUNG—Or some type of—

CHAIR—Something equivalent.

Ms Broit—More than 60c compared to \$3.60.

Senator HANSON-YOUNG—I think we need to clarify. That is the childcare benefit?

Ms Broit—Yes.

Senator JACINTA COLLINS—The previous government has a program called in-home care where CCB was provided to organisations who provided in-home carers. It was run alongside the family day-care programs. It had a cap, back in the days when the outside school hours care programs had a cap as well. What I need to clarify is what has happened to that program since. Dial-an-Angel has never dealt with the in-home care program.

Ms Broit—No.

Senator JACINTA COLLINS—So the difference with that program is that if the provider is approved then the families get access to both CCB and then the tax rebate as well. But I have not had an update in recent times about how many places exist under the program. I have just done a search and discovered, yes, it still is an approved program. I think that is possibly one of the points we need to clarify, because it may well be the case that Dial-an-Angel could seek approval to provide in-home care under a variety of arrangements.

CHAIR—Have you tried to do that with this program?

Ms Broit—I am sure that we have. I think Adelaide has got that under control. I have no idea.

CHAIR—It is a national program, isn't it?

Senator JACINTA COLLINS—It was introduced by the previous government.

Ms Broit—Maybe the trial has been with Adelaide. Maybe they have just given them those 50 places.

Senator JACINTA COLLINS—It was operating in other states. It was across the country. There were a limited number of places but they were across the country.

Senator HANSON-YOUNG—What you are saying, though, is that there is a lack of consistency about the way in-home care is funded regardless of the qualifications of the person who is caring for your child as opposed to a childcare centre.

Ms Broit—That is right. And they are not just normal everyday people that come in with no qualifications. Our nannies have got qualifications. So you cannot say that you send them to a childcare centre and you get the rebate there because you have got qualified carers.

Senator HANSON-YOUNG—How do you propose that the government regulate the in-home carer sector better? Your own organisation sets down your own strict guidelines and processes, but what would you like to see the government do, what would be your recommendation to see that that happened across the board? If you are going to have government funding, you need to have the regulation.

Ms Broit—That is right, you have to have that standard, you have to have that accreditation. I know all the childcare centres go through accreditation. We are working on that at the moment through our Sydney office, to try and get us recognised as a professional home care organisation, whether it be for childcare or aged care. So we are looking at that, and I think that is what you would have to do, but I do not think there are a lot of national companies that do the childcare in-home. There are a couple in Brisbane that are reputable that have been going a long time, but on a national level you would probably have to source from each individual state to see who their main home carer associations are. It is going to be difficult. If the agency was given approval then we would be dealing with all the paperwork and everything, you would not have any extra work to do, or I do not think so. It would be very similar to a childcare centre. We would be employing the staff, we would cut down on any of the black-market trade, and there is a lot of that still out there. Even though the GST was supposed to stop that, there are still a lot of people out there paying cash money to their nannies. But if we took on the role of the employer and we kept all tax records, superannuation, people would also look at being a nanny as a proper profession, not something that you just do in between jobs. I do not know how the government would do that. It is difficult because there are not a lot of national companies like us.

Senator HANSON-YOUNG—Has Dial-an-Angel here in Brisbane had an increase in applications from parents since the ABC collapse?

Ms Broit—On a part-time basis, not full-time. It is too expensive. I had a phone call yesterday from a lady who has just been offered five days a week from 5 pm till 9 pm. She is a single mother with a two-year-old. What does she do? She can get an Angel to pick her child up from day-care but it is going to cost her at least \$82 per day. She said, ‘I can’t do it. I want to work but I can’t afford it. So people are wanting to work and we are getting so many more phone calls for part-time nannies.

CHAIR—How many clients have you got on your books at the moment?

Ms Broit—It would be about 2,500.

CHAIR—That many. Does it cover just Brisbane?

Ms Broit—Brisbane and Toowoomba. That is both casual and regular ongoing.

CHAIR—Are you aware of many other operators like yourself who are also supplying that market?

Ms Broit—Yes.

CHAIR—Do you have any idea how many in Brisbane would be using their services?

Ms Broit—There are another two agencies who are similar to us in Brisbane. There is Charlton Brown, who are on the northside in Clayfield. For as long as I have been in Brisbane they have been around. There was Brisbane Nannies and Housekeepers. They have gone. There is Indigo Services, which are in Toowong. So all round the western and northern suburbs, the affluent areas. But we do have nannies who go anywhere from the Gold Coast, the Sunshine Coast or Toowoomba. The demographics are quite good. If somebody in Gatton needs a nanny, we can supply them with one.

Senator JACINTA COLLINS—At this stage just looking at the family assistance office site it tells us for approved care that some in-home childcare services are approved providers, which means that people can access CCB and they can access the childcare tax rebate.

CHAIR—If they are approved providers.

Senator JACINTA COLLINS—Yes. So some home care services are. But I think for the committee's benefit what we need to do, if it is not in the department's current submission, is clarify the circumstances around it as it currently applies.

Senator HANSON-YOUNG—What we are hearing is that there is a difference in what that benefit per child is in terms of the dollar amount: 60c versus \$3.

Senator JACINTA COLLINS—I think that calculation is done in terms of the overall subsidy that can occur.

Ms Broit—Yes.

CHAIR—The people at the back aren't from the department, I suppose, are you? No. I thought I would ask.

Senator JACINTA COLLINS—We can clarify those issues.

CHAIR—We can follow that up. If there is a program that covers this then it may be simply a matter of widening accessibility of better advertising it or something of that sort.

Ms Broit—So we can get approval.

CHAIR—Thank you very much for bringing that issue to our attention.

Ms Broit—Thank you very much for inviting me.

[2.43 pm]

WALSH, Mrs Prue, Private capacity

CHAIR—We welcome Mrs Walsh, who comes from Play Environment Consulting. Would you like to say something about the capacity in which you appear today?

Mrs Walsh—I am an early childhood professional who is here as an early childhood professional whose work is specialised in physical environment provision in early childhood services.

CHAIR—We have a submission from you and also appendices to it. Thank you very much. That is a wealth of information. I invite you to make an opening statement if you wish to the committee, and then we will ask you some questions.

Mrs Walsh—First of all, I would like to say thank you very much for the opportunity to be able to come here and voice a specialised early childhood opinion on the very much needed inquiry. I think the government needs to be congratulated on running this inquiry. The closure of the ABC services was a totally predictable outcome and took too long to occur. I do not know whether you were aware of it but questions were raised in parliament in Queensland as early as 1994. In that you will find a transcript from there.

The government were incredibly slow in listening to these issues. That is the reason I am here. My submission is primarily here about a proactive strategy for moving forward. We need to look back at the past practices, of previous years, to realise that government failed children desperately. The commercial interests of child care were not in children's interests at all. It was a very limited argument. The recommendations of previous government inquiries, such as the child matters inquiry in 1996, were ignored. There is another inquiry document there, where recommendations were given on my evidence. They were ignored again.

The government have had a closed door on the issues of physical environment. I would like to say first and foremost that I absolutely back so many of the things I have read in the other submissions. On issues such as child-staff ratios, qualifications and things like that, they are absolutely wonderful. I agree with what Sheridan Dudley was saying from a supervised early childhood perspective. But in all of these things, with the exception of the accreditation council, they have not mentioned physical environment. It is a bit like saying, 'I'm flying to the other side of the world but I don't know what jet I'm in.' We have been wasting money hand over fist for years on very substandard 'kid ghettos' and 'baby factories'. Those terms were first used by an alderman on Logan City Council in 1992. The terms are not new. It just shows how difficult it is to advocate and get government to respond. It does not respond. It blocks. It puts things everywhere.

Just for the record, my work has involved every state and territory in Australia and nine countries overseas, where my work has been recognised far more than it has been here in Australia. I have consulted on over 2½ thousand early childhood centres. I think that shows that there is a critical need for the types of services I am providing from an early childhood

perspective. The people who approach me are early childhood trained more often than not. I have worked with both the community and the private sector and I have seen some private operators who are devastated that the guidelines put out by government did not work and did not provide them with a sound financial basis on which to develop centres.

I have also seen the greed merchants, the ‘kid ghetto’ merchants, as we call them, and that has been tragic. I have had feedback now for 15 years on the consequences to the children, and they are devastating—children at risk not being picked out, obesity and all those sorts of problems coming through because the children are being fed on 60c a day and they are not getting enough exercise. We have quite justifiably fallen from grace with the OECD right down to the second to bottom in the developed world for childcare facilities.

I think I have said enough for that bit. The only reason I am here is that I endorse the policies of the Rudd government because they are researched. I am totally cynical about government’s capacity to implement these strategies properly. I am still, on a daily level, getting bad feedback on the work that is being implemented at the moment. In fact, I am seeing hub centres that are worse than the worst of the private centres.

Senator JACINTA COLLINS—Hub centres?

Ms Walsh—The ones where the combined services—

Senator JACINTA COLLINS—Of a dual—

Ms Walsh—Yes. Playgrounds on the other side of a car park, for a start.

CHAIR—I will invite Senator Collins to ask you some questions in a moment. I will just clarify something first of all. You made reference to the government running this inquiry. I should make it clear that the Senate set it up and in fact it was set up on the motion of Senator Hanson-Young, who is a Greens senator, but I am sure the government will be looking over what we are going to produce with great interest.

Ms Walsh—I hope that the government will listen far more than they did with the previous Senate inquiry into child matters. That was in 1996, and that was the changeover. There were two things: there was the Economic Planning Advisory Commission inquiry, under the Keating government, and then there was child matters. I spoke at the child matters one and there were recommendations based on my evidence, which are included in that document.

CHAIR—Was that a Senate inquiry or a House of Representatives inquiry?

Senator JACINTA COLLINS—Senate.

Ms Walsh—It was a Senate inquiry. There was a change in government and there was—

Senator JACINTA COLLINS—The community affairs committee, I think.

Ms Walsh—no reference to child matters. They went straight for the Economic Planning Advisory Commission argument, and that did not have the benefit of the work of James

Heckman showing the advantage of investing in the early childhood years, which I am sure you are aware of.

Senator JACINTA COLLINS—You mentioned support for but cynicism about the process that the current government is undertaking. Do you have any specific observations about COAG process and the present strategy apart from, as you said, that you think there are some indications that the implementation is failing?

Ms Walsh—I had several meetings relating to the COAG inquiry. There was not enough support on the physical environment issues. I had excellent discussions with them and they were concerned that this had not been raised more. I had to explain that a lot of people have no expertise in this area. Fortunately, I am early childhood trained, but I have extensive knowledge on design and planning. I am working with two universities at the moment on this. That is one of the reasons. I believe that the COAG response is flawed because it does not address physical environment. Again, all we have to do is look at the case in point of the ABC centres and I can give you plenty of examples of why this has to be addressed.

Senator JACINTA COLLINS—Is the physical environment not being addressed as part of the attempt to integrate regulations and licensing arrangements at state and local government level? Is that not being picked up there?

Ms Walsh—The regulations and licensing requirements covering physical environment are poorly researched and do not work in practice. To build a centre based purely on minimum licensing requirements is bad economics in terms of the building and shocking economics from the children's point of view. There is no research basis, for instance, for the spatial provisions within the playrooms. The nearest you get to that is a minimum of 3.5. In point of fact, the research says about 4.5, which is very generous. Playgrounds are the worst of the lot. The figure is seven square metres. There is no research basis. I looked at this and measured it up and I came up with a figure of 15 as a bare minimum. I found out subsequently that the old kindergarten movement in Australia worked on a bare minimum of 15 square metres per child. When I spoke publicly about this in Canberra, I thought I was going to be tackled by a bureaucrat. I was quite pleased that it was open slather and she congratulated me on actually hitting the nail on the head. I was told that the move was made in the early 1970s. A man looked out of the window of the first floor of a Canberra building, looked at a car park and said, 'That's seven square metres; that will do'. If he had taken a tape measure out there and measured it, he would have found it was 15 square metres. So there is no research basis. Instead of saying, 'We've made a mistake; let's go back', in the meantime we wonder why children are obese and we wonder why there are problems of conflict. It is well researched that children being crammed up into tight spaces is causing a breakdown in their behaviour.

Senator JACINTA COLLINS—At the site we visited this morning we had it explained to us that they could only allow 15 rather than 16 children in one room because it did not meet the state's spatial requirements.

Ms Walsh—That is right. The Queensland government used to work on a ratio of three square metres. I did inform the government here of a study done by Campbell and Dill, and they did bump the figure up after that. Then there were accordingly some appalling alterations to buildings. It is all done in a reactive, not a proactive, way.

Senator JACINTA COLLINS—If it is part of the process where we are seeking to nationalise other standards, such as carer-child ratios, is this not also the opportunity to be addressing appropriate but consistent physical, spatial requirements?

Ms Walsh—Absolutely. It is critical, absolutely critical. If my advocacy had changed things, three-quarters of the children in child care now would have succeeded. They would be in better centres than they are in now. There was a whole commercial thing developed on a false premise. The thing that upsets me is that, as I mentioned earlier, I have seen some very good people who have tried to provide good private centres, and they are appalled when they realise that, of the advice they had, none of it had any professional expertise or advice and that the figures do not stack up. They have been advised by real estate agents, accountants and builders.

Senator JACINTA COLLINS—This is the standard accountant 80 child care centre? Is it that one?

Ms Walsh—It is all of that sort of stuff and the unrealistic profit margins. It was very obvious all you had to do was to—I did it with my work in the early nineties and the eighties as well—check out the profit margin. I found that the really well run centres usually had a profit margin in the vicinity of about \$50,000 a year. Other centres say that is rubbish and you cannot make \$50,000 a year at all. I find that usually I am called in to fix up the playground or make recommendations for alterations to the buildings when there is a surplus and the centre has to be filled. That is the reason I am called in. I have been cleaning up government mess for years—or endeavouring to.

Senator JACINTA COLLINS—Through lack of appropriate regulations.

Ms Walsh—And, in part, bureaucracy that is absolutely out of touch and has no briefing in this issue.

Senator JACINTA COLLINS—Thank you.

Senator HANSON-YOUNG—In your submission you refer frequently to the UN standards. Last year we came in at 21 out of 24.

The Ms Walsh—It was the OECD figures. We were about the second in the world. When I did my training 40 years ago the standards in terms of day-to-day teaching and things like that were a lot harder but there were not as many centres. The tragedy is that we have not been able to maintain the quality simply because there has not been the right management from a government point of view to provide the needed support and leadership nor has there been a listening to the early childhood field. You go in for years of lobbying and I think I can count on one hand the number of times I have met a fellow early childhood professional sitting in that role. You go to your accountant; you expect to get an accountant. You go to your lawyer; you expect to get a lawyer. That is not the case with early childhood.

Senator HANSON-YOUNG—It was suggested earlier today by another witness that part of the problem with the entire sector is that it has been viewed as an industry rather than as part of the education sector. Even the term ‘child care’ as opposed to ‘early childhood education’ allows

for this idea that it is like choosing which dance class to send your child to as an extracurricular activity as opposed to a part of education platform.

Ms Walsh—I think you are stating a very important point here. I do not think it is seen as the holistic development of the child. For instance, at the moment there is much talk about literacy and numeracy. That is like taking two straws out of a broom and you still cannot sweep the floor properly. Do you know what I mean? You have to look at the whole child. The longitudinal studies and research show that play based programs are the thing that help children's play and development and you are going to get better outcomes economically and from a social and emotional health point of view if you look at the whole child. Interpretation of early childhood now is not working in its right form. They are looking for tick boxes. They are not seeing that it is not as tidy as that. You need a highly experienced eye to read and work with children and evaluate the work.

Senator HANSON-YOUNG—Have you had an opportunity to feed into the drafting of the new national standards?

Ms Walsh—No, there was certainly a recommendation that one of the parties who wrote the document speak to me because there was a section on physical environment that does not stack up at all.

Senator HANSON-YOUNG—So there is a section there?

Ms Walsh—There was in the draft that I saw, but the university did not approach me, no.

Senator HANSON-YOUNG—Obviously, you are very passionate about the physical environment aspect and how that affects the rest of the holistic quality of care. I completely accept that and I actually think that no-one has really offered that in their submissions as yet. How does that play in with this issue of the child-to-staff ratio? The place that we saw today is operating under the current regulation in Queensland but I would struggle to see how they would even fit extra staff members into some of the smaller rooms. Are you suggesting that we actually need standards for buildings per se that childcare centres are run from as opposed to just being able to walk around and tick boxes?

Ms Walsh—Yes, I am. I think part of the delusion of what has happened with the private sector stuff is the fact that there have not been the right parameters. There has not been a document—for instance, a design brief to an architect—that is based on a clear assessment of children's needs. I work with architects all the time, and that is a sort of transdisciplinary thing, so they do not understand what is needed. But it is not just the building we are after. What is the size of the site? What is the size of the building? What is the definition of the playground area? How much is the local government going to require for car parking? So it has to vary a bit.

There was a best practice document done for the New South Wales government, which I wrote in 1996, and it was called *Best practice in early childhood physical environments*. This document is stacked up in the Land and Environment Court in New South Wales as a benchmark reference. During the review of the legislation in New South Wales—the last one; not your current one—they called in more people from the private sector, because there were more private childcare centres. It was proved in court in one of the court cases that I was involved in—and I

have won every court case—that the person who had been on that committee had recommended that they did not publish the best practice documents and, as it turned out, had not read the book. We were able to prove that in a court of law. So the government was seeking advice from people who were not informed of these documents.

The reason the document was written was that the government advisers in the 1990s in the department of community services in New South Wales were appalled at the types of centres that were being built. And I have many, many examples of discussions with them. They wanted a document so that they could say, ‘Licensing—there is a minimum licensing requirement,’ and ‘Best practice is a better investment for you and the children.’ That was the whole stand of it. But commercialism took over right through to government policy.

Senator HANSON-YOUNG—In terms of moving forward, a number of other witnesses and a number of other submissions have suggested that the government has, with the ABC collapse, perhaps missed a good opportunity to restructure or transform some of the sector. You said in your opening statement that you wanted to be able to take us forward—

Ms Walsh—Absolutely.

Senator HANSON-YOUNG—with a vision for the future. What would be the first two things that you would do, given the cynicism you currently have of—

Ms Walsh—Revise the COAG early childhood agenda, include physical environments and provide best practice documents in a number of areas. You find that there is a huge gap between policy decisions and people being informed enough to comment about it. The books I have written have been very, very heavily utilised, and are still being. I am earning more money out of one book called *Early childhood playgrounds* from the copyright lending agency. I have been advised not to republish by my lawyers because of the plagiarism by government departments—not nice. That is a legal opinion from a major legal firm. What I am saying is: let’s get it right above all of that.

Just quickly on the ABC, I might say that most of the centres that were being sold were in the most acute areas of need. I have had an assessment done of that with one of the universities. I did contact the people who were the receivers, and they were not interested in people like me who talk real money. None of them have proper playgrounds in them. You should deduct \$150,000 off every single one of them, so you get a proper playground in it—because that is the bare minimum cost of a decent playground on a clean site. Then you have got modifications. None of them have proper playrooms. So you have got lemons of centres in many things. Some of the sites are not too bad. They started plagiarising other stuff too, by the way.

What I am trying to say is: how do we raise it above all of this? I believe there needs to be better informed decisions and there need to be more early childhood voices—and they need to be specialist early childhood voices on an early childhood issue. Where is the professional early childhood voice? Most of the people who really were good players have left. I have had them in my office in tears—

Senator HANSON-YOUNG—We did hear evidence about that in terms of childcare workers earlier today.

Ms Walsh—It is the early childhood professionals in the field who have left, and it is because they could not stomach professionally what was happening. It has annihilated the field largely in Queensland. There are a few threads left. Having worked in different states, I am finding Victoria and South Australia are the white hopes in terms of quality, but all of them have got areas that need major improvement.

So how do we get the mechanisms going? We make sure that the early childhood people are employed on early childhood issues. When are we going to see a government head who is early childhood trained dealing with early childhood centres rather than a primary teacher who talks about literacy and numeracy all the time?

This is the sort of stuff I am looking at. What I think are the moves that need to be done covered here? We need identification of areas where research needs to be done. We need to stop having a reactive attitude. I am the early childhood rep on the National Playground Standards Committee. The safety nazism that is running supreme has no research basis. Why has government let this go on? Why hasn't somebody funded a research program? We have safety nazis—sorry, that is the term that is used internationally; we are a joke internationally—influencing the way in which we have responded in this area. I have worked internationally and have been the key speaker at conferences—

Senator HANSON-YOUNG—The OECD report, *State of the children*, I think, identified that. That was their report—

Ms Walsh—That would have been me lobbying hard, because I did speak about that.

Senator HANSON-YOUNG—No. 22 out of 24, I think.

Ms Walsh—Yes. So as you can see, there are a lot of things here. We need to set up a taskforce led by early childhood professionals to identify shortfalls in physical environments and the licensing requirements. That is a highly specialised area. Do they want a specialist? I am sorry, but the only damned one is here. I wish I was not; it is an appalling situation to be in at 65. We need to provide the gaps. I think that every recommendation I am making is pretty well here. This is the moving forward. Really, I have just taken the opportunity today to say that the history is so bad we can only go forward.

Senator BILYK—In your submission you mention involving local government and community working more in conjunction with early childhood professionals. Can you expand on that? In Tasmania where I come from, local government used to play quite a big role in providing childcare services in a variety of ways and over the last 10 years or so they have really pulled out of that. They have sold off their centres—not as centres, I might say, but for other uses—and moved away from it. I am quite interested in how we get the broader community involved, but local government in particular, and what areas you think might help with that.

Ms Walsh—I think the reason that local government withdrew was because they could see the profit margins and it meant there was a whole department they did not have to run, and that is what they did. They also thought that they could make money out of them like everybody else was, and that was certainly what was happening.

I think that it is very hard to rectify. I think there have to be some carrots put there and I would like to think that local government was there and in a wider role. But I also think that local government needs to be guided by a centralised body. I do believe that federal governments need to become a better gatherer, facilitator and disseminator of information.

That does not mean that I want petty governance. We have too much petty governance. The teachers are so sick of people coming around and saying, 'I think that you had better put a stocking over the mango. It might fall on a kid's head.' I kid you not, these are all examples.

Senator BILYK—I understand. I worked in the childcare industry previously and it was frustrating at times.

Ms Walsh—Then you know what I am saying. Where is the level-raising in these sorts of things? Where I think local government have needed guidance and help is particularly in their time planning ordinances, and that is the stuff I have been doing legally in the Land and Environment Court. They do not have a clue and they assume that the state governments have got properly researched legislation, and then they say, 'But we did not realise that it was like that. Surely the government knew it.' I have not heard this once; I have heard it 20 times. But I have also heard them saying, 'Money, money, money. If ABC can make money out of it, so can the council.' So leadership is needed even to councils and to state governments: where do we pull it right up to where it should be? Children are our country's future. How do we respect them? How do we set the guidelines? I believe that it is in gathering information and disseminating it and raising the tone of debate and discussion and knowledge.

Senator BILYK—You also mentioned early childhood voices. Do you think that sometimes the people involved in the industry are their own worst enemy?

Ms Walsh—Yes, I do.

Senator BILYK—Could you just expand on that?

Ms Walsh—I was hoping I would get asked this question. I will give you a bit of history here. I was approached a lot because, in 1988, *Early Childhood Playgrounds*, this book I wrote, was published. They were so concerned, I had government officers speaking to me; I had people in large, community based early childhood organisations speaking to me. They said they were often told by their superiors that they could not protest what was going on, and the reason was that their organisation might lose their funding. Then there were the others who saw it on a personal level: they could not afford to lose their job. And, yes, there were people who were definitely squeezed out of government jobs because they had the audacity to speak their professional mind.

Senator BILYK—There is a bit of a 'the hand that rocks the cradle should not rock the boat' type analogy there—

Ms Walsh—That is right.

Senator BILYK—which is an old analogy but a very good one, I think.

Ms Walsh—It is not good enough. There should have been more unity of purpose. I have said it. I have said it many times. I have stuck my neck out and can I say it has been vicious. But I do not care; the issues are far, far bigger than me as an individual. I was just at a meeting this morning with a university about getting advocacy worked out. I think the government deserve better advocacy from the early childhood field; I will say it. It does not make me popular, but bugger that. Sorry about the language.

Senator BILYK—No, that is fine. Do you think there needs to be a cultural shift in the way that society looks at child care—the delivery of childcare services and the childcare workforce?

Ms Walsh—Absolutely. I always remember working in Denmark and saying how impressed I was: the centres were fabulous, there was a real commitment. I said, ‘I am most impressed, but why is it that your country does this?’ and they said, ‘Well, our children are our country’s future.’ I repeated that when speaking at a conference in Turkey, when I was working in Turkey, and I could not work out why they all stood up and cheered. But it turned out Ataturk was the first person to say that. It was one of their luckier moments!

So I think we do need to change. I do not think our society values children enough, and child care is one symptom of that. I believe there are awful problems with our schools. I believe our public parks are monuments to consumerism. I think our town planning ordinances—and I am not alone in thinking this; I have been working in child-friendly city projects with Griffith University in the Illawarra region—also need to recognise children and their families. When you see them actually implemented, you know that the community is a much happier place. We are treating the symptoms: why do kids graffiti? Why do they do those sorts of things? Why do they ride their bikes everywhere? When you talk to the kids, you find they are actually very nice kids but they are bored witless. We do not value children enough. And we are treating the symptoms, not the causes, and the causes are kid ghettos, bad training, a lack of support for the families. This is a much bigger issue. We have let money rule to such an extent on a short-term basis that we have lost sight of the bigger picture.

Senator BILYK—Thank you for that.

CHAIR—I wanted to clarify what you refer to as a restrictive physical environment in child care. I must say that I do not have quite the experience of childcare that some of my colleagues have, but my impression from visiting childcare centres in Australia today is that they certainly look like—and perhaps my view is skewed by living in Canberra, where we have got quite good facilities overall—

Ms Walsh—Much better in Canberra—atypical.

CHAIR—Yes. I usually see quite modern, colourful and apparently—to my mind—well-designed centres with outdoor play areas, trees, sandpits and things like that. Until I read your submission, I had never been conscious of a consistent criticism about the quality of the spaces we create for child care in Australia. Can you perhaps fill me in on what you think is the state of play with respect to the physical environment of child care in Australia. Is it really poor quality by international standards?

Ms Walsh—There is a history of really substandard centres, which I think need to be slowly weeded out because they are not in the interest of kids. There is no doubt that the Eddy Groveses of this world started building better centres—and I know where he picked up the plans for one that I designed with my husband and I know that that has been used. Now, I was relieved actually, because I just knew that something was going to be slightly better. But there are too many substandard centres.

In the folder I have given you, if you go to the bottom green tag, you will see an example of a kid ghetto/baby factory. That was for the Senate inquiry into the provision of child care. There is a legacy of these centres all over Queensland.

CHAIR—Has that been recognised in the way that governments have designed policy for child care?

Ms Walsh—Yes.

CHAIR—I assume that they do not necessarily want existing centres which were established under older models to close down. I assume they grandfather those arrangements, but there is an expectation that new centres being built will meet higher standards.

Ms Walsh—Yes. I think that should be insisted upon. I really think that is the only way you can get out of it. Obviously millions and millions and millions of dollars have gone down in the last 15 years on ‘kid ghettos’. But this centre complied with licensing requirements in Queensland! It is down in Logan, in an area of social need. It is still there. But the legislation does not define ‘playground space’. It has improved a bit here now, but the document now is still not a good design interpretation.

Ms Walsh refers to visuals and documents in folder—

The other thing is that that room has no corridors. If you are going from the storage room to the loos or out to the verandah or something like that, there are multitudinous ways of cutting across it.

Look at the playground there: they have actually included the verandahs. You cannot put a swing in that playground, because there is not enough space to comply with Australian playground standards for soft fall surface requirements.

CHAIR—How old is that centre?

Ms Walsh—That was 1994.

Senator JACINTA COLLINS—Was it purpose-built?

Ms Walsh—Yes, it was purpose-built. It was built by a lawyer as an investment.

CHAIR—Could you build that centre today under Queensland regulations?

Ms Walsh—In some places you can. It is slightly better, but it is still not good enough. I should have brought you an example of one. I nearly brought an example of one of the centres I saw in North Queensland. It was built and designed by a government architect. I saw this last week—it is one of the hub centres. This is the one that does not even have the playground connected with the main building.

So there are more problems. The early childhood centres built under the kindergarten movement are still stacking up. They are often tired old buildings, but they work. They have been there for 50 years and they are still nice centres. But as for some of these kid ghettos—and this is why we call them ‘kid ghetto merchants’. If you try to negotiate with a private operator who has been advised by people who are in it for financial gain, without any early childhood expertise, they are not interested in quality. They see me as a threat to their profit margins. I have tried. I have done it time and time again. I have not had my accounts paid. They do not respect a professional early childhood opinion and nor do they want to hear about quality. Profit is first. Never forget it—and it is their profit; it is not profit to the community.

This is another one. This is research on the playroom at things. This was in the best practice documents. This is Kritchevsky and Prescott’s work, Gary Moore’s work. There is a whole pile of them. Not one piece of legislation in Australia today addresses unencumbered corner and wall space. There is a standard thing in the playroom: you need what are called ‘setting up zones’. The terminology varies a bit with research. But the best terminology is ‘block corner’, ‘book corner’, ‘home corner’—you know what I mean? The reason you set your rooms up like that is because kids are not socially ready to play in big groups. They also need a variety of play options to meet their ongoing developmental needs. So in a room like this one, up at the top, you would be lucky if you can put three areas for books and things in there.

Look at that. That one works a lot better, because there are six places you can set up zones in your room. I reckon that is a bare minimum. I can do better than that with the designs. These rooms are foyers, and the ensuing impact on children’s behaviour has to be noticed. The kids do not focus, they do not concentrate. That is when the bullying starts, that is when the fighting starts and that is when the teacher becomes very directive to keep control of the situation. I can back that up with the research of Campbell and Dill. That is 1994.

CHAIR—I see.

Ms Walsh—This is a back-to-back, senators. The legislation let that happen. They used just to put cables between the fences and still run them as one centre. That was down on the south side of Brisbane. This is the developer with the standard building. It is a beautiful site of 2,500 square metres. The developer plonked the building in. Because the legislation says seven square metres he calls that the playground—and then they worry. They put the babies in this little kids’ ghetto. They do not realise that babies need contact with their siblings and older children as part of social development. There is no developmental basis from a child usage point of view in any of the legislation or part 22 here in Queensland. It has ignored children.

CHAIR—Ms Walsh, we have to end it there. Thank you very much indeed.

Ms Walsh—Thank you for putting up with a feisty old bird!

CHAIR—No, that was a very powerful and uncompromising submission, and we thank you very much for that. It was great.

Ms Walsh—Thank you.

CHAIR—That ends the hearings for today in Brisbane. The committee is now adjourned until tomorrow in Sydney when we will resume our hearing.

Committee adjourned at 3.20 pm