



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS
REFERENCES COMMITTEE

(Roundtable)

Reference: Provision of child care in Australia

MONDAY, 20 JULY 2009

HOBART

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SENATE EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS

REFERENCES COMMITTEE

Monday, 20 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, Jacinta Collins, Hanson-Young, Humphries and Marshall

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 10.31 am

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YOST, Mrs Helen, Lecturer in Early Childhood Education, University of Tasmania

CHAIR (Senator Humphries)—This is a great roll-up. Thank you very much for all coming here today. I open this public forum, which we are running as part of the Senate Education, Employment and Workplace Relations References Committee's inquiry into child care. Hobart is getting some special treatment in this regard, as we are conducting only formal hearings in the other centres that we are going to. We decided to do something special here in Hobart.

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. The committee's terms of reference have as their starting part 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 and 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 which 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, including from many people around the table here today. You should be aware that all of those who speak at this forum are protected by parliamentary privilege with respect to the evidence that they give and the views that they express. These special rights and immunities exist so that people may give evidence to the committee without prejudice to themselves. Any act which disadvantages a witness as a result of evidence before the Senate or any of its committees may be treated as a breach of privilege and the Senate has powers to deal with this.

In order to run this session that we can best add value to our store of information and to make use of the insights and experiences that you will relate to us today, I will be putting a number of questions to you that will cover our terms of reference and the emerging themes that the inquiry has encountered. I will then ask for comments as people see appropriate. Senators at the table may well want to then ask questions or put issues to you and ask for responses on them. For your guidance, a list of the leading questions has been circulated so that you can follow progress through the agenda of the forum.

We have over 25 participants here today, so I will ask you all to be concise, please, in what you have to say so that other people have a change. If we all had two minutes on each of those subjects, we would not get through the day, unfortunately—we have until 12:30. Some organisations have more than one representative, so it should not be necessary to hear from everybody, therefore, on each of those questions. It is important that the forum represent a wide spectrum of ideas, do not hesitate to express a viewpoint that you believe has not been adequately represented already in the comments made here today.

When you do say anything, please speak into the microphone and state your name so that Hansard will be able to record who it was who made particular comments. If you raise your hand before you speak, it will also give us a chance to identify who is speaking for the purposes of the *Hansard*. We are going to have a transcript of the forum available on the committee's web site some time next week, so you will be able to go back and see what it is that you are recorded as having said. If you have been misrepresented, it is possible to have the *Hansard* changed in

certain circumstances. The list of participants has been circulated so you can see who everybody else is. I imagine most of you know other people here. The list of questions that the committee wishes to cover has also been circulated.

I think we might plough straight into the discussion. There is no particular order to the questions listed here, but the first issue we have raised is quality: what situation do we need for quality child care, what characterises quality in child care and what do we need to do to improve that? I invite anyone who would like to plunge in and be the first person to make a comment on that subject to do so.

Mrs Nolan—One of the indicators—a small one—for quality child care is the diversity of services that allows parents to have a choice. At the moment, parents are not getting a choice in a large number of areas in Tasmania. There has to be a diversity of services. There has to be community based, not-for-profit and private developers—a whole range of them—but we are now getting a skew in the service provision in Australia. I think that is one indicator of quality care, particularly from a parents' choice perspective.

Mrs Cornish—Research clearly indicates that the key determinant of quality is the qualities and qualifications of those who work with young children during their most formative years. The child-staff ratios and the size of the groups have been well recognised. It has been researched and written that they are the key determinants for quality for young children.

CHAIR—Yes, Pam.

Ms Cahir—Hello, Gary. How are you?

CHAIR—Good, thank you.

Ms Cahir—Gary and I have known each other over a very long time. He was the Chief Minister of the ACT.

I think staff and the quality and qualifications of staff really matter—in fact, they are absolutely fundamental—but I also think there are a couple of things to be teased out of that. One of them in the Australian context is the stability of staffing. Sitting underneath that are the fundamental issues of wages, conditions and career structures. In my view, we will not get stability of staffing from the bottom through to the top until we address the issues of wages and conditions for workers. People will not stay in a sector where they are paid very poorly and where the work is very hard. That is an absolute fundamental. We often talk about teachers, qualifications, staff-child ratios and group sizes—and they are absolutely the issues—but we very rarely get underneath that and say what will change all of those but particularly staffing, and that is about paying people more. The issue after that is: who pays?

We also need a career structure that can take people from being unqualified to certificate III, through to a diploma and then to being a teacher. We need to provide teachers with some bridge so that they can move into teaching in schools and, if necessary, possibly with an extra qualification like a master's to take them into the curricular region. We have to provide a career structure because, unless we do that, people are not going to choose child care. I think that is absolutely fundamental.

Ms Connor—I am not representing anyone here; however, I work with Bronwyn at the University of Tasmania in the early childhood education and care course. I have done some research into child-care provision and, in particular, the issue of supporting children in emotional, social and mental health in the first years. I support the comments that have been made and add the fact that, when we look at the quality child-care practitioner, we are talking about someone with particular personal qualities. That is a necessary but not sufficient condition. I think we are talking about someone with personal qualities, with knowledge and with skill, and with sufficient time and structural conditions to enable them to implement the kind of quality program they wish to implement, and a key element in that is a partnership with families. Only quality practitioners have the communication skills, the time and the dedication to forge those partnerships with families that really enable the best beginnings for young children.

Mrs Barwick—It is really important that the qualification is credible, that it does come with integrity. There needs to be more rigorous compliance around those qualifications. Just because somebody has a diploma does not necessarily mean that they have the skills and the knowledge that is required for the care and education of young children. That is a really important part of quality as well.

CHAIR—Can I pose a question here. We heard this morning that some of the qualifications are too easily obtained. They are sort of ‘tick and flick’ I think was the phrase we heard. Is there a view that that is the case? Would you say that there are lots of people in the sector who have those sorts of qualifications?

Mrs Barwick—Yes.

CHAIR—Thank you for that.

Mr O’Byrne—Just on that point—and I will talk about wages in a moment—the credibility of qualifications is crucial. We have been hearing in a number of areas that have been involved in the delivery of training over many years that, since the deregulation of training, a number of registered training organisations either lack transparency or lack an ethical business operation. You do see the tick and flick where it is about trying to achieve a government subsidy as opposed to trying to develop and upskill the existing staff or new staff coming in. That is an absolute concern. The deregulation of the training environment has been detrimental to the child-care sector over many years.

In terms of wages, I absolutely echo Pam’s view and the view of others on this. Wages are a key determinant in not only keeping staff and ensuring that they do not move to other industries or other sectors but also providing a career path and ensuring that when they do invest early in training that there is some reward. Currently, the sector is held together by the good will of early years professionals who are really struggling to deliver a quality service.

I think we can all agree on where the structure of wages and conditions should be. What is also needed is an interim strategy, because you have a number of people in the sector who have not been exposed to training or not been given the opportunity who are quite capable and would easily move through a qualification based structure. So it is describing not only what we need in five to 10 years or even two years but also how we assist the current workforce in transitioning. I

think there needs to be some funding to assist current workers and current professionals to move into that structure.

CHAIR—And that will take five to 10 years, in your view?

Mr O’Byrne—That is too long. You need to invest heavily to upskill and to reward the current staff but also to assist those who are currently unqualified but well respected move into a qualified situation.

Senator BILYK—I reiterate everything that Mr O’Byrne has just said. Can I say, though, that having worked in the child-care industry in Tassie a lifetime ago, that this argument has been going on for 25 years. I am interested in people’s suggestions to us on how to move forward. I ran these arguments 25 years ago and here I am 25 years later basically still hearing them. So it is a concern to me. What do we do to move on? Obviously deregulation has not worked in a number of ways. Has anyone got any suggestions?

CHAIR—I will get some other comments first, if I may.

Ms Ackroyd—I originally came from the sector. I have been in children’s services for 20 years, and over the last five, eight to 10 years I have heard the same argument that Senator Bilyk has just spoken about. The conversation about quality and enticing people into the sector has been going on for 20 years. I have found that most of the people that we are training at the moment are from in-service. We are upskilling them mainly from certificate III to diplomas. However, I am finding that there has been a huge decline in the number of people who are interested in coming into the children’s’ services sector. That is a fairly big concern because the 75 per cent of people whom we are already training are already working in child care. So about 25 per cent of the people whom we are training at the moment in the southern region are new in the sector. They tend to come in to do some training, find out about the wages and the conditions and the pressure that is placed on children’s’ services workers. They continue on to teaching but never end up in child care.

Senator JACINTA COLLINS—Can I ask a question on that point: what do we do to encourage early educators to stay in early childhood? How do we prevent this inevitable ‘sucking’ of people into primary education?

Mrs Nolan—Wages.

Senator JACINTA COLLINS—You are looking at the issues such as the school hours versus—

Mrs Ackerly—For the people I have spoken to who are passionate about working in children’s services programs, talking about under fives or outside school hours care, it is about the wages not necessarily about wanting school holidays off, school hours and those sorts of things. It is purely about being recognised for the dedication and hard work that they do in the way that they treat most other jobs. Obviously, teachers are different in the sense of their conditions but early childhood education is not being recognised. We have staff who have an absolutely amazing capacity to become leaders in children’s services programs who leave us to go and work in call centres because the pay rate is \$5 an hour more. That is the issue that we

face on a daily basis in terms of recruitment. We get somebody and they have the skills, knowledge and the capacity to learn, but at the end of the day with the economic crisis that we are facing, mortgages and all the other financial issues that families face they can earn better money in a job that is often less stressful. They get paid for what they are worth; they are not relied on for goodwill. Unless we change that we are not going to keep people and we are certainly not going to be able to recruit them.

Mr O’Byrne—There is this cycle of people coming in absolutely engaged but then for whatever reason having to make a personal decision to leave and we need to look at what are the drivers and the ability of the federal government to have an impact on this. I think it centres around the approach that the federal government has taken in terms of funding. It is very much a market based approach. There is significant federal government support to the sector but it has been delivered through very complex tax systems with the childcare benefit and the childcare rebate. If you are going to invest in the early years, if you are going to take it seriously and allow the sector to professionalise and to move forward, you will need to directly fund services and attach that funding to some quality outcomes including wages, ratios and group sizes. Also there needs to be some responsibility. With that money comes accountability and the sector itself needs to be responsible to that funding and show accountability and say, ‘This is how we run our business.’ When you look at the ABC childcare sector and see the Byzantine sort of approach to company structure that Eddy Groves and others took a lot of the money that should have gone to children and early years professionals went to the corporate world. That was an absolute failure. When you have a system of funding which goes through the complex tax system which allows the grafting of childcare funding that is where you have the problems and that is where quality falls down and that is where workers, children and families lose out.

Senator MARSHALL—Partially, Mr O’Byrne, you have answered the question I was going to ask. I wanted to look at the reason for the market failure in not delivering the wages outcome at the appropriate level to have the skills in the sector because that is theoretically the way it is supposed to work. We have a deregulated industrial relations system; we have a deregulated childcare sector and we have for-profit players in there. What is supposed to happen is that wages actually get to the level where enough people are skilled and qualified to meet that demand. Obviously, that is not happening, if everything you say to us is correct in terms of the numbers, the wages and the reasoning. You have gone part way to answering that, Mr O’Byrne. What is the reason for that market failure in terms of not delivering the appropriate wages outcome to fulfil a demand?

Dr Reynolds—I would like to say that hopefully the university is a step ahead. We have been consulting with different stakeholders. From next year we will be having an early childhood degree from birth to eight years, so we welcome lots of comments and lots of discussion with the outside field. I think it is chicken and egg. Which comes first—the qualifications or the pay? Indeed, we need to work very closely together.

Mrs Laing—In answer to your question, Senator, one of the things that get in the way of the theory of how wages should rise according to demand is the regulations around group sizes and ratios. A lot of community owned and some private services as well struggle to maintain better ratios, because they believe that is what is better for children. They cannot do that and compete with other organisations that are running at the maximum number of children per staff member. Their wages are kept down in order to maintain the ratios. You do have to compete

commercially. You cannot necessarily say, 'We're going to have these fantastic ratios and we're going to charge lots above what the provider down the road is,' because the market will not allow it. That is the second layer that is operating as well.

Senator HANSON-YOUNG—That comment leads straight to my question in relation to the government's draft national childcare standards, which COAG has been discussing. Throughout the rest of the inquiry there has been evidence suggesting that it is going to be very difficult for us, even if we can set some sort of national standards to make things easy. I think we do need to see that—we are moving into the 21st century if we start to see some national standards. How do we ensure that quality standards are upheld if we do not tackle the issues of qualifications and this constant struggle between delivering the staff to child ratios and making sure we have qualified staff. Child care is an expensive business and the margins tend to be small. Most of the evidence we keep hearing is that ABC Learning failed because they did not recognise that the margins are small in the care of kids. How do we ensure that we implement national standards? What do we need to tackle first?

Mrs Nolan—One of the reasons wages have not gone up is that the people who work in child care are too nice and do not lobby hard enough. We think about the kids first and then we think about ourselves afterwards and it colours all our negotiations. Even in not-for-profit as well as the for-profit providers we are all nice ladies underneath it all, and that affects a lot of things.

Mr O'Byrne—The situation that Mrs Laing refers to is the problem you have when you have a market based system without any regulation—anyone can enter the market at any stage to undermine other providers, either community based or whatever their orientation. We really think there should be a regulation base which deals with national consistent licensing and accreditation. Also we do not think that entry into the childcare sector should be so easy. We do not think anyone should be able to wake up one day and open a centre. That completely undermines the provision of quality service in the community. There needs to be some analysis done of what the community needs—how many places are needed and what will be their needs moving forward with the demographic change in a region or a geographical area—and some localised registration of how many places are available.

Senator HANSON-YOUNG—I guess if you wanted to make a quick buck you would not open up a primary school, so why would you do it in child care?

Mrs Bradley—I agree. I think the problem with having the market the way that it is is that all services stop and think about who will pay, and who will pay are the families who are saying they are under pressure and cannot afford to do this. Child care can become as much a community service as a business. It is trying to, as other people have articulated, balance those two things while your market share is shrinking. Because it is deregulated, anyone can open anywhere. You cannot say it is working best here. Someone else can open next door and take part of the market and you do not have control over that.

Senator HANSON-YOUNG—What has the state government done or what is it doing to tackle this issue—that is, that you cannot just wake up one morning and decide you want to run a childcare centre? From an advisory perspective, what is in place to tackle that issue?

Mrs Bradley—The Child Care Act does stipulate that you have to be a fit and proper person. You have to be able to meet certain standards and so on. But basically there is not anything to prevent that from happening.

CHAIR—There is someone from the department here. Can I ask you to say something about that.

Ms Hebblethwaite—Over a number of years we have looked at what planning might be put in place, but as the Department of Education we are not able to do that. We have approached previous members of parliament in relation to what sort of legislation guidelines could be put in place that are similar to those in Western Australia but there has been no take-up on that.

CHAIR—We will have to move on to the next subject quite quickly, but I will take three more comments. Can I ask you as you are making those comments to comment for me on the question that you raised, Ros, about what the ratio should be. Different states have different arrangements for ratios. There are different levels. How far are we from an appropriate and proper ratio of childcare worker to child?

Mrs Nolan—Can I continue with the previous conversation about the planning controls, or do you want to know about the ratios now?

CHAIR—Deal with both. That would be great.

Mrs Nolan—ACCS, the community based organisation I am representing, has put in a submission to the inquiry. We are asking for planning controls, and there are various suggestions about those in that paper that we submitted to you. We really do need planning controls back again to stop a lot of the problems that are occurring and that are going to start occurring more in Tasmania. With regard to the ratio issue, I just love the paper we are going to consult on tomorrow. Tasmania's ratios are not too bad compared to a lot of the other states. They can be approved, of course. I am very happy with option 3. Some of my staff would like option 4, but I like option 3. If they could be introduced Australia wide, it would be fantastic.

Mrs Cornish—I just want to relate to Sarah's comment. In terms of wages, there is only one way that we can have the income to support increased wages and that is through parent fees. Already we know our clients struggle to pay the current fee schedules, so we are torn. We know what we should be paying staff but we know what our clients can afford, and that is a real issue. We have to go back to planning controls. What happened with the ABC collapse was that ABC services opened up next door to existing services and ran them out of town. That cannot happen again. But I am also saying that before anybody can open a childcare service there needs to be some proven capacity that they can actually conduct this business. It is a business; it is not babysitting. We are highly regulated, highly mandated, and it is a business model. So there has to be some proven business expertise and acumen. I often say, as a community based provider who is committed to that, that the model is flawed. Well-intentioned, well-meaning people who know nothing about running a business are going to do it. In this state in particular there are 30 child and family centres earmarked to be opened. Communities are going to be governing those services. The model is flawed, so we have to be very careful that we do not set them up for failure.

In terms of ratios, Tasmania gave away the baby with the bathwater a long time ago. We had a one to three ratio for our little ones. I absolutely believe that that is what we should have. For infants we would all love to have one to one. We know that is impossible. If you have triplets you get help, but you are expected to look after five babies in child care. You went to our babies room this morning. They were all very well behaved and did not need a lot of care this morning. But there are moments when they do. All of us could have been holding a baby this morning. If we are really true to infant care, we need responsive adults who can pick up the cues and respond immediately so that strong bonding and attachment can occur. You cannot do that with one to five. I do not think you can do it with one to four. I do not think you can do it with one to three, but that is what I would like. My head says one thing—that is the business head—and my heart says another, and I think that is where we are torn every time. We know what is best for children but we are running a business. We have to be viable and sustainable into the future.

Senator HANSON-YOUNG—Would you agree with the union’s perspective that based on the way the current federal government funds child care, if we were able to re-look at that funding model and restructure it, it might help to deliver that outcome?

Mrs Cornish—Absolutely.

Senator HANSON-YOUNG—Do you have any ideas about how to do it?

Mrs Cornish—If you take, for example, the 50 per cent rebate the parents get. Now under the new Child Care Management System parents get that regardless, if they have contributed towards paying the fee or not. That has created a debt for childcare services, because before we had some way of saying, ‘We can give you evidence that you have paid your account and you can go and claim your rebate.’ Now they get it automatically, so it has created a debt for childcare services. That is one issue around the funding model that needs to be addressed. Parents need to have relief from childcare fees; there is no doubt about that. The cost is astronomical and it will continue to grow as we become highly regulated and mandated, and with ratios changing that is an increased cost. But the funding models have to change.

Ms Cahir—I want to do something I should have done at the beginning but I did not. I want to acknowledge the traditional owners of the land on which this meeting is taking place and do that in the context of an apology, and I want to bring that to bear on this discussion towards the end of this.

I want to say a number of things. Firstly, I want to talk about what will happen to leadership in early childhood if we do not manage the issue of wages, salaries, conditions, qualifications, et cetera. What we have at the top is an ageing workforce and a workforce where there are reducing levels of qualifications. The evidence is clear about a range of things but the evidence is absolutely clear about the significance of early childhood leadership in actually generating quality outcomes for children, and that is leadership at the top of the service and then leadership in rooms. I keep coming back to wages and conditions and that is really nasty, you know. I am not a very nice person, really, but I think that at the end of the day if we do not tackle that, we are going to see a service which is minimal and not high quality.

I want to come back to your question about why the market does not work. I think the market does work in some places but in this place it does not work. And do you know why it doesn’t

work? It is because in order for the market to work, childcare workers have to say every day to parents, 'We cannot do a good job with your children.' We can do the best we can, but in the current circumstances where we have got high staff turnover, we cannot deliver the quality of care that underwrites good outcomes for children. The current ratio is one to five, and I will mention group sizes. I have been in rooms where there are one to 20 babies; that is pretty nice. Just imagine if a few of them cry—five workers or not, or even six workers. So you have to have a think about that. What we are asking workers to do is to say to parents, 'We can't do the job for your children. When you leave them here they are not getting quality care.' That is a big ask for workers, but until we do that parents are not going to be willing to pay more and the market will not work.

We have got this tension underneath around the willingness of people who care every day for children to have to acknowledge to themselves that they cannot do the job and then to be public about it to everybody else. Not even doctors are able to do it all that well when they do not do the right job on you. I just think that for people who are often unqualified, very underpaid—so clearly not valued very much by society—and working in very difficult circumstances, that is the ask if the market is going to work. When it does, parents will begin demanding more and that is when the market will begin to work, because of the issue to pay more.

We are not going to get equity in that model, though, because there will be some places where parents cannot pay more and we have to be aware of that. I put that on the table and I think it is a really, really important and crucial question. That issue of the relationship between parents and staff is one that Jenni alluded to. Parents have to have confidence when they leave their children that it is okay. But what we are doing is asking people to tell a lie every day. It is very hard to do otherwise. So I put that in the pile.

The other thing we need to remember is the way this sector has been structured is that there are many, many freestanding services that have to bear all of the pressures, all of the costs and all of the worries on their own—albeit there are some places where multiple services are run by a single provider and there is, as in Tasmania, a central provider to support staff, and there are things like commitment to staff support. The sector is not like the hospital sector where nurses are all collected in one spot so they can organise things. People in childcare services are on their own and face the problems every day on their own. They do not have the critical mass that can help them organise, speak up and be clear about their demands. That sounds like a union model and maybe that is what is needed. Something has to change because we are talking about the need for a better and more productive workforce now and into the future. High-quality care with qualified people, good conditions and proper wages actually underwrites that promise. If we do not deliver it, we are not going to have that promise.

CHAIR—Thank you. I want to move to the second topic: diversity. It has been touched on already to some extent. I will give preference in this next session to anybody who has not already spoken. The question here of course is what role is there for the for-profit sector as well as the not-for-profit sector. I think I would be right in saying that the majority of people here today are from the not-for-profit sector, if they are representing either sector at all. About three-quarters of all children in child care in Australia today are cared for in for-profit entities. What is the future of the for-profit sector? What role should it play in educating and caring for children, and what role should government play in creating an appropriate balance between those two sectors?

Mrs Bradley—I think that there is a need for diversity, but it cannot become a situation where it is one-sided. You cannot have a community that has one type of care provided—just for-profit care. That is not choice for families. In Tasmania, I certainly think we had very good standards and excellent ratios, and the sector was very cohesive. We did some quite amazing things and that started to change through the loss of operational subsidy when services said, ‘It has to give somewhere’, and ratios were the area that we forfeited. I agree with Ros that we threw the baby out with the bathwater. It is a balancing act. Running the business of child care is a numbers game. It is about parent’s capacity to pay and the fee that we can reasonably charge. We are not just competing with other childcare providers; we are competing with all sorts of arrangements and decisions that families make for their children. Sometimes if child care is too expensive then that is not one of their choices and they will make the next best choice for their family.

There has to be a way to ensure it is a mixed market so those things interact with each other. In Tasmania, we had high ratios and we had a very low number of private operators. Those people were in the business of child care but were also involved in working with their counterparts in the community sector that were often smaller operations. If you think that the threat created by ABC is over, I can tell you there are plenty more knocking on the door. There is that ability to manipulate the system to own a large portion and in some respects hold the government to ransom by saying, ‘We own so much of the market, we are the stakeholders you have to talk to.’ We protect our media interests by saying: ‘Kerry Packer cannot own more media. We have to have mixed business.’ We have not done that with our early childhood business. We have not protected that by saying: ‘It is not in our best interests to have one organisation delivering this big chunk of the market. That is not good for the market.’

Mrs Barwick—It is important that we do have diversity of the not-for-profit and private operators within the sector. But there could be a determination of the amount of profit and have it capped, so that there was an assurance that part of that profit was actually put back into the programs to improve the quality for children and also to improve staff wages and conditions as well. That could be a possibility.

CHAIR—I will go to Mrs Laing first and come back to Ms Blest.

Mrs Laing—The situation in Tasmania may be different to some of the other states in where the division comes between child care and education, because within this state kindergarten for four-year-olds is within the education department and there has been a lot of work done by the state government and lot of money put into supporting the early years within the school system and a lot of birth to four programs are now operating within schools. For the childcare sector this is a bit of a bittersweet situation because it means that children who would in the past have come into childcare services in that four-year-old age group, where your ratios are higher and so there is, I guess, more money to be made, are now for that social and early learning experience attending programs within the school, at very low cost or no cost to parents. So we are sort of struggling with that. Where the funding for four-year-olds goes is going to be a bit more problematic here than it might be. It is clearer in some other states because that goes to before-school programs.

Ms Blest—I wanted to go back to the issue about for-profit and not-for-profit. I own a childcare service. I think we need to look very carefully at this. As I see it, there are community-based services, there are private services and there are corporate services. Providing the

exceptionally high quality care is maintained, I believe that it does not matter who provides that. To actually say for-profit and not-for-profit is a bit of a misnomer in child care anyway because, unless you are corporate private services, there is not much profit in child care, as we have already identified. We are all governed by the same rules and regulations and I think we really need to get away from private/community-based. I think what we really need to be addressing is that we can provide exceptionally high-quality care taking into consideration the things that have already been discussed around the table this morning, which are qualifications of staff, staff-child ratios, room sizes et cetera. I do not need to repeat them. We should not worry too much about who the provider is. I think the big issues are that the provider can do the job, as has been identified, and they need to have business acumen; that is really important. I think it is important that no one provider, be it community-based or private or corporate, takes a monopoly of the market and that it is driven by the community. That can be done in a private situation in the same way as it can by community-based service.

Senator MARSHALL—Ms Blest, without being too intrusive, can you just give us an idea of what sort of profit margins there are for a small operator?

Ms Blest—I can tell you how much I owe the bank at the moment. I am not being facetious.

Senator MARSHALL—I am just trying to get an idea of what the profit margin is and why people are in the business, without being intrusive. I am not asking for the detail.

Ms Blest—When I decided to open the service that I have got at the moment, I had never considered doing this before. The property became available and it was a perfect location, there was no child care in the area and I started running with it. I got passionate about it. I got an accountant because I did not have one before that and I said to him, ‘If I can come out with a wage the same as I am earning as the director of a community-based service that I was running at the time, do you think this is a good proposition?’ He said, ‘Are you prepared to put your house up for it? You might lose your house, you might lose everything.’ I thought about it and decided I was because I felt so strongly about providing something unique, which I think I do. That is what I did. We do not make a profit. I live comfortably but I would live comfortably as the director of a community-based service as well. But I risk an enormous amount and I work most weekends. But there is not a huge profit margin. I am doing a job similar to the job I did for a community-based service.

Senator HANSON-YOUNG—As we have travelled around the country and in the submissions, when people use the term ‘for profit’ generally speaking we have been talking about the bigger corporates. What you are saying is that there is the traditional community-based non-profit, the small private independent operators and then the corporates. I completely take that on board. I also understand that if we knew a service was providing good quality care which was affordable, quality and accessible then there would not be a problem. The thing that keeps coming through is that there seems to be this lack of overarching drive that somehow child care needs to be seen as an essential service. It is not like choosing which dance class you want to send your three-year-old to; it is not a luxury for many working families. So until we get past this idea that for some reason it is a luxury and it is not an essential service, I think we are always going to have this internal debate about for-profit and not-for-profit. That to me seems to be the crux of why staff are not paid enough, why we do not have good career pathways, why we

do not have standardised regulations that we know are the best and not just the lowest common denominator. There seems to be this underwriting issue that is not seen as an essential service.

Mrs Bradley—One of the things I have spoken to my colleagues about a number of times is that you are absolutely right, it is an essential service. We talk all the time and hear all the time about education starting from birth, that the first four years of life are the most influential, that education starts from then. Yet we do not have a public system of child care. So we have community-based services and other services, but at the end of the day government funds families, it does not fund a public system of child care. If you think about education and you think about the fact that education starts from birth, why do we only fund public education from the age of four? Then we expect the market and we expect mums and dads to be on committees looking after a business, and the businesses is not like they think. They come along and they are well-meaning people and they think they are going on to the P and F like they are at school, and the next thing they know they are the treasurer and they are worried about how to pay staff and was there a wage rise and what to do about fees. What they want to know is that they can go to a service and there will be a standard and that the governance, if you like, is looked after by a higher overarching entity.

Senator HANSON-YOUNG—That has the best interests of the care of the kids as opposed to shareholder profits.

Mrs Bradley—Absolutely. If you were to do that, if you applied the same principles that you do to school-based education to child care, then you would start to say to yourself, if you think of them in the same terms, if you think of child-care work the same as you think of teachers, if you think of the provision of infrastructure the same for child care as you do for schools, then it all becomes a bit of a nonsense what we are trying to do within the system that we currently have, when in fact we need a public system of child care from birth. That should be universally funded for every child to have access.

Perhaps that will mean families having to pay a portion towards that. But the actual foundation is this: because we know about the early years, we believe that we should have well-qualified people—not just certificate III people, but people who are university trained and have the academic understanding. They should have not only competence in caring for children, and the good and personal things which we believe in, but also the underpinning knowledge and understanding of how children develop. If we want all of those things, we cannot just leave the governance of child care in the hands of individuals—mums and dads who are on committees—or say: ‘We will regulate it so heavily that it will have to be high quality. We’ll regulate these people we don’t really have control over so heavily that they’ll have to deliver what we want them to deliver.’

Senator JACINTA COLLINS—My question is on that governance issue—and I suppose we are moving down now to point 5 in the regulatory framework. We could look at what happened with ABC and use it as a test of where things went wrong in our regulation system. We have talked about the diversity side, and earlier today we talked about the re-institution of planning so that we do not allow market gouging to occur. But I am curious to hear, particularly given the level of experience that is in this room, how you think we should manage regulation. Without making regulation too heavy, how do we manage it where it is obviously too light? We all know the anecdotes and the stories of, for instance, ABC, before spot checks were instituted, moving

their equipment from one centre to another. We know the stories about excessive rent being used to shift funds away from, essentially, the care of children, though that is probably more an ASIC issue and one of too light regulation there. I am interested in the experience in this room and what you can say to us about where you think—and accepting the fact that we are in a market approach, but despite that—the regulation really does need to be firmed up. On the basis that we are not shifting out of a market approach, at least in the very short term, where are the main areas that the regulation needs to be?

Ms Blest—I would just like to pick up on what ABC are reported to have done. I think we need to acknowledge that a lot of centres—corporate, private and community based—have been guilty of those sorts of practices. I think we really need to be looking, as we have already identified, at the licensing and accreditation process as one enormous great project, because a lot of services—not just the corporate services, as I know for a fact—do those shoddy practices.

Senator JACINTA COLLINS—I was just using ABC as an example. I understand what you are saying.

Mrs Laing—I think that while ever the regulatory framework is punitive we are going to have problems. It does not matter how high you set the bar—unless something gives us the capacity to reach there, it is just going to be something that is stated as a lovely ideal that we would like to reach. If you do not have the staff working with you in your organisations who can actually function at that level then, while the regulations mention ‘best quality’, you are still going to come in at the lower level of just ‘satisfactory’, which is not good enough.

Senator HANSON-YOUNG—That is the question I asked first up, about the COAG draft: what do we need to do to ensure that we can actually meet those benchmarks? Otherwise it is going to be no more than a piece of paper.

Mrs Laing—You would have to acknowledge that, no matter how you define quality, unless you do something about the group sizes and the qualifications it is not actually going to happen within the services. Huge amounts of money, time and effort are directed by us into complying with regulation. Every time we turn around there seems to be another thing—like the food safety regulation that has just been put in. Nobody seems to be able to say where there has been a case of food poisoning in a childcare centre in Australia, and yet there is still this huge amount of work that has to go into that.

You can have all the paperwork and you can tick all the boxes on the forms, but that does not guarantee that it happens there in the field. You have to have the people personally take on board the professional responsibility of wanting to do the right thing because they are well trained and passionate about what they do and because they really care about doing the right thing, not just ticking the box.

Mr O’Byrne—I think the level of funding is the gorilla in the room. We have touched on it. There needs to be a lift in funding. Because we are in a market base, it is very easy to think we can just tick a box and move from a market base to a very highly centralised community base and that that is the future. What we have to look at is accreditation and licensing. They are the instruments. But also there needs to be accountability brought to bear on providers of care—that is, in their financial records. All the people in the equation need to provide reports that are

publicly accessible. That goes for not only the service provider but also those who own the building. That was a key issue in the collapse of ABC in trying to protect those families. Families want sustainability. They want it not only in the quality of care but in the service in their community so they can send their kids through, become a part of their community and meet other families. It is all about the social cohesion of that region, and having a sustainable early years service is absolutely crucial.

It is not just about the quality, which can be dealt with by licensing and regulation; it absolutely has to be economically sustainable. Companies should report clearly on the ownership arrangements, on the financial situation, on whether they are sustainable moving forward. Then the communities and the families could get some level of sustainability. We as a union had problems trying to access ABC records to try and fight for worker entitlements but also to find out who we actually had to send a lawyer's letter to to find out who we had a claim on. It was just so difficult because there was no expectation on the service provider to be transparent about their financial obligations, about who the owners were, who was running the services and what their accountability was to the community.

CHAIR—We need to move on to the next subject—and it has been touched on anyway—which is funding and costs. I will ask you to wind any comments you want to make into the issues of funding and costs. Again, I want to preference those who have not had a chance to contribute so far. One key issue coming out of the inquiry so far is the extent to which the CCB is an inappropriate tool of funding child care. The question has been raised of whether we should not directly fund the centres, provide funding to the centres to build and improve and so on, or whether the existing model—where funding goes through parents—is in fact the better way to go. I would like to get comments on those issues, among other things, under the heading of funding and costs, please.

Mrs Ackerly—We know that child care is highly regulated and mandated. One thing we struggle with, from my perspective, is the inequity between the care and education systems. Placing that society value on children's services programs and childcare centres is very difficult. I have an example where I have a highly-regulated after-school care program based on a school site. For the reasons that we know, we charge a certain fee to families to cover our costs. It is not for profit. Those same families access a before-school program every morning that is run by the school—that is not regulated and not mandated—for \$2. You tell me how I can justify to families what we do and place value on that when they are being offered a service for \$2 and I charge \$15 or \$16. Those are some of the issues that we face.

Another issue is vacation care. Once again, it is highly regulated on standards, ratios, qualifications of staff and all of those sorts of things. As a community based organisation, I need to charge a certain amount of money to make that a viable service. I may charge the families \$40 or \$50 or whatever that fee is. A program running on a school site, which is not regulated, which does not have to comply with ratios, which has no excursion forms or safety or accident and incident forms—that is, any of those requirements that are time consuming and, do not get me wrong, crucial—can offer a service for \$25 a day because they are not regulated and no-one is monitoring them. I think that society's value on these children's services programs becomes very confusing for families and the wider community when they see those examples.

CHAIR—Are you suggesting that they should be regulated and that those conditions should be imposed?

Mrs Ackerly—Absolutely. What is good for one exactly the same service should be equitable across the board. Just because it is run on a school should not make it an exception. We run an after school care program in a school room as well, so there is absolutely no difference between those two spaces except we meet regulations and licensing standards and they do not have to. They can charge \$2—

Senator JACINTA COLLINS—Why don't they have to?

Mrs Barwick—Because they could be run by the school or a church group.

Mrs Ackerly—They could advertise it as a breakfast program. There are lots and lots of loopholes. When I have staff and families who are trying to justify the cost that we are charging, for example, it becomes very difficult when they see other examples where they do not have to comply.

CHAIR—Some people say that imposing all that regulation on a breakfast club or an after school care program is overengineering. Do you not think that is a danger?

Mrs Woolley—We have to abide by all those regulations. As childcare services, those regulations are imposed on us, so why are they not imposed on schools?

Mrs Barwick—All children have the right. With the regulations comes the monitoring of quality. Basically, why do not all children have that right? That is what it boils down to.

Mrs Ackerly—I am not talking about programs that run in school hours; I am talking about programs outside our normal public education system. Please do not get me wrong and think I am saying that between nine and three they should be regulated,. We have some issues with that around food safety, but that is another thing. I am talking about the fact that outside of normal operational school hours there are programs that are running. As Lyn said, we are very highly regulated. That is for very good reasons; do not get me wrong. But when I have to charge \$16 and they can get that service for \$2 with the economic crisis that we are in it is very hard to justify what we do. We have, as Pam was saying before, staff who basically have to lie on a daily basis about quality. That is the other issue that we have. We are providing the best quality program for children based on outcomes and the facilities that we can provide, which is all well and good given the constraints that they face.

CHAIR—Can you comment on the childcare benefit and the childcare tax rebate.

Mrs Nolan—I have two comments to make about that, particularly from ACCS's point of view. ACCS is calling for the childcare tax rebate to be removed and put back into the childcare benefit because we think it is more equitable for families, particularly lower income families. ACCS will have a big paper later no doubt—

Senator HANSON-YOUNG—We did hear—

Mrs Nolan—I thought you might have. I will not go heavily into that one because you have that information.

The other area that I am concerned about from a community based sector point of view is the 222 childcare centres that the federal government announced that then went on hold because ABC collapsed and are still on hold. In Tasmania, particularly in the south here, we have enormous demand. In Tasmania we have a lot less corporate child care. There is quite a different mixture in Tassie. There is still a lot of community based child care. But we have enormous demand for child care in areas in Tasmania that is not going to be met, and it is growing. Regardless of the financial situation, it is going to continue to grow. We in Tasmania need some of those 222 childcare centres. We just have not heard anything. One area the government does have to spend money on is providing capital funding to the community based sector so we can keep our share of the market, so to speak, because otherwise the community based sector is not going to build new childcare centres. We do not have the money. We need to retain our share of the market, so it is really essential that that money comes online.

Mr O’Byrne—I will be very brief because I have touched on this number of times. You have to look at: what is going to improve the sector? What is going to drive change? What is going to drive professionalism? Funding is the tool to do that. With funding comes accountability. Funding should go directly to the service, but the service then must meet minimum standards, minimum qualifications and minimum wages for workers. That is how you drive it. It is a carrot-and-stick approach. If you do not achieve those outcomes in terms of ratios, qualifications and standards then you do not receive the federal government funding—we believe that is how it should be driven. It is the only driver that I can see that will actually make significant change over a short period of time.

CHAIR—If you impose those standards as a condition of getting the funding, should the funding be available to both for-profit and not-for-profit enterprises?

Mr O’Byrne—I think what families and early-years professionals want are good outcomes and I think whoever delivers that is a matter for the community. In the current situation you do have a mix of community, for-profit, not-for-profit and ‘a little bit of profit’ providers. I think arguably if you have a national system which is consistent and which is transparent then that will drive change and that will drive accountability.

CHAIR—Are there any further comments on the funding?

Ms Cahir—I would like to make just one further comment. It is about this and it is about a fair bit of what else has been said. But I think one of the things about the way we fund services is that we have an accreditation system which says that it can guarantee quality. Services pass that system irrespective of whether they have got the things in place that the research says are necessary—the small staff to child ratios, the small group size, the qualified staff, the stability of staff et cetera. In that context it really bedevils me that people get through an accreditation system as ‘high quality’. Some of that goes back to my original proposition that it is very hard to fund a system to a level that does meet what the world says are the standards that are necessary to deliver quality care. So you have an accreditation system which essentially says it is okay. Part of this is because the people who run the system are out of the sector. They actually have not seen good quality care in place. So they have to see what they have been doing is good-

quality care because if they do not see it then they have to say that they are not doing it. It is a very difficult system that we have now.

We have an accreditation system which absolutely assumes that it has in place the structural components of quality care. They are not, but the accreditation system has to actually deliver outcomes. Parents would have a fit if they were actually told through an accreditation system that they were not. The majority of services in this country are not funded or staffed and do not have in place the systems to deliver quality care. It is a very tricky thing. You have to realise that, even if the centres do not get that accreditation, no government has ever taken funding from a service. Why is that? Because it has a real potential sting in the tail at the ballot box—because parents do not want their centres not to get funding. So I think there are some very difficult, really quite fundamental, questions.

What is happening now is that, I think for the very first time, we are beginning to say, ‘These things are necessary.’ This inquiry must not undo that thrust; it has to be brave and to say, ‘Yes, everybody is doing the very best they can actually—every day everybody in this sector is doing the very best they can—but we cannot do the job for our children if we leave things the way they are.’ So my plea to this inquiry is to actually bite the bullet, call a spade a spade and say, ‘Yes, the country has done the best it can. But if we are serious then we have to do better.’

Ms Connor—I am not in a position to comment about the mechanism by which funding is delivered to the centres. What I am interested in is that in societies such as Finland, where there is free, equitable and open access to high-quality prior-to-school services, those countries do extremely well on all the international measures. For instance, they have a degree qualification as the minimum qualification for all staff in the early childhood sector across the board. The amount of money spent proportional to GDP between Finland and Australia is not great. The question becomes: where is it spent? I am not a person who would want to take it away from secondary and senior secondary education, because I know how difficult it is to work with adolescents and young adults. However we do need to look at the mix and the balance of the funding that we have available in difficult economic times and ask, ‘What is more important than the first years of children’s lives.’ We need to look at international comparisons and ask, ‘Why do some people do well,’ and why, for instance, is Mexico consistently at the bottom of the table. It is because it is user pays.

CHAIR—I want to move on to the issue of availability. A number of people have already touched on this question in earlier comments. Could I ask someone to start by painting a picture of the availability of child care in Tasmania. Are there areas where need is satisfied and areas where need is not satisfied, and what are those areas of Tasmania? Does anybody want to venture a thumbnail picture for us of what the story is here?

Mrs Cornish—We operate 30-something sites across Tasmania. In our experience there are areas in Tasmania where there is insufficient supply. In other areas there is oversupply. Every school wants a childcare centre on their site, and I think most people would agree with me on that. Some years ago the state government had a childcare in schools program where six or seven childcare centres were established on school sites. They funded the development of those centre and put them out to tender. There is a lease arrangement in place around those. That was when there were insufficient places. So that was addressed.

Then of course we had the appearance of ABC Learning, which established service here. So went into a period of oversupply and duplication in some areas. There are still pockets of unmet demand in some areas—I would say in the main regional towns. But of course that does not mean that communities that are considered isolated or rural do not have a need. The need is there but it is not as great as in other areas. The key is how to find that balance—to provide services in those rural and remote areas for families who need them and to be viable. That is the key. ABC Learning did not go to those areas—they came to the areas where the critical mass was in terms of population. So there are areas of undersupply. I see people are nodding their heads. Those areas are mainly in the major towns—areas where there are jobs or where there are tertiary institutions.

CHAIR—So the cities are reasonably well looked after—such as Launceston and Hobart?

Mrs Cornish—Yes, there are some areas of need but it is mostly for the under three-year-olds. That is crucial. We are losing the over three-year-olds. We touched on that this morning. I personally believe that eventually we will be providing care only for the younger cohort. We have early learning centres being established on private school sites. So the private school might have to develop a facility and a service but they then retain their clients through to year 12. So what you lose at this end you pick up at that end. We have them for a short and sharp period—little people come to us just in the years prior to school.

So I think that over time we are going to be providing the most expensive form of care—that is, for the under three-year-olds. Cathryn touched on some of the education department initiatives, which we absolutely applaud, but they are all school based. I really do believe that we are being forced to deliver services predominantly for the under three-year-olds. That then impacts of course on the attraction of staff with teaching qualifications, because they are often more comfortable with the older cohort, and the high-end cost of facilities, services and ratios which we want to meet. So I think we are facing difficult times ahead.

Senator JACINTA COLLINS—I would like to just clarify that issue about preschools. In Victoria the state government recognised the delivery of teacher-provided kindergarten programs in long-day care centres. Has this not happened in Tasmania?

Mrs Cornish—No. You can only deliver kindergarten—and Judy might help me with this—if you are a non-government registered school. You have to meet all the requirements of that such as having registered teachers and so on. Judy, you might like to continue.

Ms Hebblethwaite—The Schools Registration Board produces registers all non-government school delivery of kindergarten because under the Tasmanian Education Act kindergarten is part of the education system. It has been in schools for about 40 years in Tasmania. Consequently if you as a childcare centre wish to deliver the kindergarten program then provided you meet the Schools Registration Board requirements you are able to do so. At the moment though there is only one doing that—and that is the Lady Gowrie Child Centre.

Senator JACINTA COLLINS—So at this stage, apart from that particular one, there has been no other attempt in Tasmania to register other providers?

Ms Hebblethwaite—Any service wishing to seek registration could do so. At the moment we have around 97½ per cent of our kindergarten age children attending a kindergarten program. It is a very different—

Senator JACINTA COLLINS—Well, no, they are not just in schools; they are also in stand-alone preschools, aren't they?

Ms Hebblethwaite—No.

Senator JACINTA COLLINS—You do not have those?

Ms Hebblethwaite—No.

Senator JACINTA COLLINS—Okay.

Mr O'Byrne—There is a view that putting a single teacher into an early years service will be the answer. It is clearly not. It is about whole-of-workforce reform. It is about ensuring that there is development from day one of the child entering the service and how they move through the different age brackets and the different rooms. It really is holistic; one teacher will not fix it. It is about cultural change, leadership and program development across the whole room—not just one person.

In terms of demand—your original question—I think the fact that there was no answer is the problem. It is a best-guess situation around the table, and that absolutely illustrates the need for research, some study, but also a national planning system which actually identifies need and brings the sector together to work to community based responses as to how many places and how many services are needed, whether they be long day care, family day care or out of school hours care. I think that is the problem; the fact that no-one knows absolutely illustrates the problem with the current market based approach—because where the money is is where people will go.

Mrs Cornish—And that is a moving feast, the numbers.

CHAIR—Thanks, Mrs Cornish. Mrs Bradley and then Mrs Nolan.

Mrs Bradley—We have had a number of discussions around availability of child care. Perhaps the biggest thing—and I agree with what Ros Cornish said—is that we are being pushed back. The introduction Australia-wide of 15 hours of kindergarten has effectively meant one more day that children do not come to child care. So, because the children are either in kinder, in school based education, or in child care, we have lost them for another day. That means their primary education provider is school rather than child care. Where previously they were attending kinder two days a week, some families decided, 'We won't worry about that; we'll stay in child care for that extra year and then our children will go off the next year.' That has become an issue.

Senator JACINTA COLLINS—What about a preschool program?

Mrs Cornish—Some centres certainly run preschool programs.

Senator JACINTA COLLINS—Wraparound care type arrangements.

Mrs Bradley—The other point I was going to make is that also in Tasmania we have the Launching into Learning programs, which, as someone mentioned, are programs for children under four years of age. They are under-four programs on school sites delivered by, in most cases, teachers. Again, our biggest competitor—if you like, the next biggest threat to child care—will be education in terms of coming back and lessening the market. So we will be caring for children under three, and there will be more pressure on that.

I had a conversation the other day with a school, and they were looking at where they would put their early years program—so, their under-four program—and where would they make provision for child care on-site. Child care would be down past the oval, and the early years program would be next to their kindergarten. They are seen as two completely different things.

Senator JACINTA COLLINS—What is a nought to four school program? I need you to describe the type of program you are talking about.

Mrs Bradley—Judy can probably describe it better.

Ms Hebblethwaite—Launching into Learning is not a program as such, but it is program funding, I suppose, which goes to, in the main, disadvantaged schools. It is about programs for parents and their children, and the aim is to strengthen parents as their child's first teacher. Schools run one or two programs a week, sometimes more if they have more funding, which enable parents to come along with their child prior to school and gain some additional skills and a recognition of education as a very important part of life for their children. So it is about strengthening the parent involvement in education, but obviously the children come with them.

Senator JACINTA COLLINS—So it is more of a parenting program rather than a childcare program?

Ms Hebblethwaite—No. Obviously children engage in programs while they are at the school, but it is not a program that is run without the parent being involved in the program.

CHAIR—I think Mrs Brennan would like to make a comment.

Mrs Brennan—I just want to go back to the point about availability in terms of services in more rural and remote areas. Family Day Care in Tasmania has 11 schemes. There are about 300 home based child carers, if that, catering for about 12,000 children across the state. They have the ability to cover some of the smaller regional areas where it may not be viable for a childcare centre to operate. One of the other options within family day care is an in-venue day care model. We have two operating in the state. It is fantastic for rural and remote areas where the child care need exists but it is not viable to establish a centre based service. The difficulty with family day care in-venue care is that they are only provisionally approved for 12 months while it is looked into whether there are other options available. Quite often, in small rural and remote communities, it is not there and then there is another application process for another 12 months. It works as a model in areas of low utilisation. Our question then is: why is there a restriction and a time limit if that is as big as the community is going to be, basically?

CHAIR—Is in-venue care the same as in-home care?

Mrs Brennan—No. In-venue care is where the carer does not work from their own home. They may work in a community hall or in a space in a local school that will work to meet regulations.

Senator JACINTA COLLINS—So it is lighter regulations for the venue than would occur if it were a childcare centre?

Mrs Brennan—Actually in Tasmania they have to meet exactly the same standards as if they were running a centre.

CHAIR—We will hear from Mrs Moran and then come back to Senator Hanson-Young.

Mrs Moran—I just want to comment about availability, particularly on the west coast of Tasmania. One of the difficulties that is experienced on the west coast is no qualifications. People are not prepared to travel to get qualifications and there is a cycle there of not being able to get good workers on the west coast because they will not travel to go and get qualifications and there is the high cost of taking training to them. So on the west coast there is a shortage of child care, particularly in places like Strahan, which is a real tourist area. I am the manager of a family day care service, and we have actually now got one person working down there but it is really difficult to have people working down there because their partner often works in the mining industry and there are the problems of shift work. Trying to find somewhere else to work from is difficult as well. So the west coast is a particular area of concern, where there is a great need and very few services available.

CHAIR—I want to move on to the next subject. Mrs Laing, I think you wanted to make a comment.

Mrs Laing—I just wanted to make another comment about the birth-to-four programs. While the majority of them may be directed to encouraging parents in low socioeconomic areas to engage with their schools, one of my services actually is within a very middle-class area, and the two schools in that area both have birth-to-four programs. The school where one of my centres is based is actually now running three sessions a week, two funded by the department and one funding themselves, because they are getting such a great response from the community. So there is a real interest in these sorts of programs for children. But the thing that I believe is actually generating this huge interest in those two schools is that they are competing actively for enrolments, because within a lot of our inner city schools enrolments are dropping. Nobody wants to make the decision that certain schools will have to close, and so they are really out there touting for business, I guess. I am saying that with a bit of a smile, but they are really serious about trying to bring children into their schools and they see that as a really good way of doing it.

Senator HANSON-YOUNG—One of the things that we have heard from other places is that when the collapse of ABC Learning happened it shone a bit of a light on where availability was or was not and that mismatch of oversupply and undersupply. I wonder whether anyone can give us a bit of a synopsis on whether that was the experience here in Tasmania. We hear in the news today about another similar corporate model perhaps not being able to offer those services. From

the perspective of a parent who needs to be able to put their child into child care so they can go to work, what will that mean for the communities in which they exist? Is there oversupply or undersupply in those communities? Are there other providers which can pick up the slack?

Mr O’Byrne—ABC had a lesser market domination in Tasmania than they had in the mainland states, so it was slightly different. In most of the areas where they did set up and established a greater market share there were other providers which could quite easily pick up the pieces. Essentially, that is what it is: other services coming in to protect families and to provide that ongoing sustainability. We have, effectively, two services in Tasmania. One is in an area where there is an acute need and that is in the Margate area, in the Channel District. Another corporate has taken over that service. There was a competitive tendering process and, unfortunately, I think that is the service you are referring to in relation to their current payroll tax.

Senator HANSON-YOUNG—That centre was previously owned by ABC?

Mr O’Byrne—It was an ABC centre, which has now been bought by another corporate. I was at a community meeting in Margate when we were trying to save the ABC centre, and someone asked me, ‘Have we saved the centre?’ I said, ‘There will be a new owner, but it’s a corporate so we can’t answer the question.’ We cannot guarantee that that service will continue because of the fact we have another corporate which is now facing some financial difficulties. The problem with that model is that we do not know. There is such a lack of transparency about that business, there is such a lack of transparency about ABC that you just do not know what is a viable service from their perspective or how much profit is enough? In relation to the provision to the community there was really only one area. Because of their low market domination there was one area where there was an acute need. If the Tasmanian based corporate were to fall over, I think it would be very different. They have a large market domination along the north-west coast of Tasmania and in regional areas. I think that is of concern. They have chosen to move into that market and their current business model is such that we do not know. We cannot ask those sorts of probity questions about how they structure themselves. So there could very well be another mini ABC in Tasmania.

Senator HANSON-YOUNG—Would their view be that that is just another ABC look-alike provider?

Mr O’Byrne—If I were to quote the owner, yes.

Senator BILYK—The look-alike issue is actually a state government issue. It is an issue they need to take up with the state government with regard to payroll tax and business planning in general.

CHAIR—It is an issue that was in the *Mercury* yesterday.

Mr O’Byrne—It is an issue, allegedly, around payroll tax but, arguably, it is an issue around not only cash flow but the ongoing sustainability of a service in an area.

Senator BILYK—And workers’ rights and conditions.

Mr O’Byrne—I just do not necessarily accept blankly the view that it is a payroll tax issue. There are other issues at play.

Senator BILYK—That is what they are claiming.

Mr O’Byrne—That is the public position.

Senator HANSON-YOUNG—Can I come back to one of the questions that I asked originally. I guess this leads on to the regulation and framework question, which I know we have covered in a lot of other areas. Whether the state or federal government has allowed a situation to occur and has taken responsibility for a childcare sector becoming an industry, as opposed to a service delivery sector, which is I think pretty much what we seem to be hearing around the place, surely there is a now a responsibility in these places where a corporate model childcare provider has been allowed to set up, which has been approved and which has had the ticks, whether or not that person woke up one morning and said, ‘I want to run a childcare centre; I have no experience whatsoever, but I want to do it.’ That is why I asked the question: from a federal perspective, what can the committee take back to ensure that we get some of this planning right and ensure that we as government bodies do not just approve the setting up of a new childcare centre and then not take any responsibility when things fall over.

Mrs Nolan—Planning controls and access to their finances. I have been in child care for 30 years—admittedly community based—and, 29 years ago, we used to have to send our budgets and financial statements every year. It went on for years. They are the two things: planning controls and access to their financial viability—because they are not getting direct money but the parents are, for them.

Ms Whitty—I am a diploma graduate, and I learnt in the course that approximately 80 to 85 per cent of your budget would be spent on staffing. From anecdotal evidence, I know that an ABC centre director was asked to keep her staffing budget below 49 per cent. I note that the Access Economics estimations in the COAG docs say that 70 per cent should be spent on staffing, just as an indication.

Mr O’Byrne—I think what we are seeing here is that both tiers of government are playing catch-up in this area. The community expectation and need have grown so quickly over the last 10 or 15 years that this is catch-up. Of course, it is very human for state governments, when there are communities crying out for child care, to approve a service running it, regardless of who it is, because there is an acute need. We have had this for probably the last 10 years, where the demand is such that state governments would have been knocked over in the rush to vote them out if they had not approved these services.

Senator HANSON-YOUNG—You could argue it is the same with the tax rebate as well, from a federal perspective.

Mr O’Byrne—There are similar arguments being had in aged care as well, I am sure. I think this Senate inquiry and, more importantly, the COAG approach in terms of a nationally significant change in the approach to the early years sector are absolutely crucial. The tiers of government will actually now respond to the acute need of the community.

Senator HANSON-YOUNG—What do you say to parents who today—

CHAIR—Sorry, Senator Hanson-Young, but I want to structure this a bit better. I want to move on to the regulation framework. We are already partly there anyway. I want to pose some context in that and get people to comment on that. People have expressed a view, in other submissions and other cities we have been in, that some kind of national framework is important. They say that we need a national framework for child care. Can I get people to comment on that, but put this overlay on that question. I think there is an assumption that we will pick the best standards from around the country and we will end up with best practice as the national framework and, once governments sets these very high standards, it will somehow provide some funding to meet them. Both those assumptions might be false. Are there things that you think that Tasmania does well with respect to the design, delivery and regulation of child care which you would want to retain and not have drawn into and maybe compromised as part of a national regulatory framework? Are there any comments on that sort of context?

Mrs Nolan—There is one thing that I think we do in Tasmania very well. Because we are small, we can do a lot of things extremely well. One of the things we do is our Child Care Unit in the Department of Education. We have extremely close relations. We do have some difficulties with them at times, which is understandable, but on the whole we have a very close relationship. So tomorrow when I go into those consultation things and they talk about a national system—I just cannot wait for a national system where we get rid of some of this regulation on food safety; not get rid of the food safety but minimise the problems. I really am wrapped in that and having this national system, but I want it run from a state level, a bit like the old department—what was it called? Child care has been under it for years. We have had about 10 names, haven't we?

Senator JACINTA COLLINS—The state version?

Mrs Nolan—The federal one. It would be good if we had it run from there but if the state government actually administered it. That is how the federal department worked years ago. It worked very well because we had the overriding federal scheme and people in the state working for the department. In Tasmania it worked very well because you knew each other, which, on the whole, was advantageous.

Senator HANSON-YOUNG—And you are doing one lot of approval processes.

Mrs Nolan—Yes, just one.

Ms Blest—I agree totally with what Sue has just said. We do not just get the regulatory body and have the childcare unit coming in; they are actually a support network. One of the things that we do really, really well is network and support each other. It is no good putting qualified people, lots of money and a high staff to child ratio into a centre unless there is ongoing support and really high-quality professional development. I think Tasmania is really good at providing those things. I certainly would like them retained.

CHAIR—Can I have a straw poll. Who thinks a national regulatory framework is the best arrangement? Is there anyone who does not think that?

Ms Cahir—The question that you pose has been on my mind. We are all assuming that it will be better. I would like to caveat any response that I make by saying that it should be better overall and that nobody should get less as a result of engaging in a national standard. I think that is absolutely central. One of the other things that exercises my mind is where you get the creative pressure for change. We have been watching national and local governments for years. We have done that together. There are points in time where states drive progress nationally and there are points in time where lack of progress at the state level drives change nationally. I think we need to be very thoughtful about where we will get the creative pressure for positive change if we have a unified system.

It must be possible to create a matrix that says there is a point in time when these things come together and trigger a look at a particular service or group of services or at the system as a whole. It seems to me that it is worth doing that really tough work of saying, ‘If a sector is tripping into having the majority, such as 80 per cent of the services in a particular place, we need to have a look at what is happening here.’ I just think we need to be much more rigorous about saying, ‘What will trigger the need to have a look?’ That is so that we do not get to the place where we do not look and they fall over. I think that is another failsafe aspect that we need to put into the system so that we do not just leave it running along until the next corporate falls over, a bit like ABC did. I think we have to do something which actually triggers a look.

I also want to mention capital costs. You skipped over it just before. One of the issues for lots of services is refurbishment. I think our system has not done well with that for anyone. One could say that private services have to make provisions. If you are in a reasonable area you can make provisions, as can community based services. But there are lots of services servicing low-income communities where provision for capital refurbishment is a very big thing. For community services, whose salary costs tend to be higher, that is harder. You might say that that is something that a private service has to take into account when it makes a decision about going into the market. My view is that all services should be good services, so I think we should not ignore refurbishment and maintaining the standard of facilities.

The last thing I want to talk about is services which are not CCB funded, the budget based services. That is the MACS, the Multifunctional Aboriginal Children’s Services, and the mobile services. Those services are budget based. They get an amount of money based on the CPI. They always struggle. I am not arguing for them to go to CCB, because they have enrolment issues which they cannot predict. But the model for the funding of those services clearly does not work because they do not get the rises to keep pace with salary increases. Getting car replacements for mobile services has always been a major issue. So as you do this it is important not to lose sight of the fact that there are other sorts of services and those budget based services are really important services to be concerned about.

Senator JACINTA COLLINS—What is the status of that program now and what are your views about where it should go to?

Ms Cahir—In-home care is in a very early stage of its development. There has been a review of in-home care. In-home care provides a very expensive but important support for families in particular circumstances. There is a whole set of issues around regulations and support for it. In a sense it is very difficult to fund that model through a CCB approach. It has to be funded differently because the numbers do not make provision for it and the way in which need comes

and goes does not make provision for it. I think the in-home care review, which is worth looking at, has gone some way in doing that. But it does need regulation and those services do need enormous support, because the people working in those homes are exposed. There is no question about that. Have the In-home Care Association spoken to you?

Senator JACINTA COLLINS—No.

Ms Cahir—I might get them to talk to you because they have a range of issues that need to be pulled up to the surface. But there is a review on the table and I will forward that to the committee.

CHAIR—We will move on to the last couple of issues, but I just want to ask one more straw poll. Thinking about the regulatory burden faced by deliverers of child care at the moment, can you indicate whether you think it is too heavy, not strong enough or about right, taken as a whole? I am talking about the up to three levels of government you need to deal with in order to satisfy the regulatory arrangements imposed on child care.

Mrs Laing—The burden, not the outcome?

CHAIR—Yes. I have heard your comments about the food regulations, for example. That seems to be a topical issue. Some might be too heavy and might overgild the lily and others might not be adequate at all. Overall, do you think that the level of regulation is appropriate? Who thinks it is too heavy at the present time?

Ms Blest—My personal feeling is it is about right, but duplication is the issue for me, not talking about the food bit. Duplication is the burdensome component for me. Apart from that, I think we cover most things and I think they are covered quite well. But the duplication is really difficult to cope with and is very demanding in terms of money and personnel.

CHAIR—That is a comment made by other people as well. I think we have had one vote for ‘too heavy’. What about ‘too light’ and ‘about right’? Not many people are voting! I realise it is a difficult question.

Mrs Laing—That is not voting about our capacity to do it.

CHAIR—That is right.

Mrs Laing—That is voting about—

CHAIR—Whether what government demands of childcare providers is too heavy or too light. But do not worry about it. It is obviously a difficult and very complex question.

Mrs Cornish—There is some duplication and I think the national quality standards are attempting to address that, but I think the focus is wrong. We should be putting the focus on the quality of our system. Curriculum and outcomes for children have not had the attention I think they deserve, because they are very difficult and not tangible. Some of the other aspects are very tangible: you either do it or you do not do it. When we get to measuring outcomes for children, that is not as easily measured. I think the people making those assessments find that difficult to

measure as well. I think the focus is wrong. We need to put our focus back on quality outcomes for children.

CHAIR—I want to move on to the last two topics, which we might take together. Again, they have both been touched on in previous comments. There is the question of staffing, salary and conditions. I think it is generally acknowledged that we need to maintain better staffing conditions and better pay so that we have people staying in the sector, less turnover and so on. What specifically do people want to see put in place to achieve that? The related question is: what kinds of training levels and workplace training opportunities should be available to reinforce that message about quality that we talked about before?

Mr O'Byrne—I have touched on this a fair bit. The point I will make in relation to sector wide wage related issues is we need the capacity to lift the sector's wages up together, so you do not have leapfrogging and labour is not necessarily the point of competition. There is understanding that to achieve a four-year qualification, certificate III or diploma, this is the level that this person should be waged at. We were about to launch a case in the Tasmanian industrial commission just prior to Work Choices being implemented. Effectively we were blocked from doing so. What you had then was a deregulated industrial relations environment where the capacity to pay and competition between services became the major drivers and workers' wages suffered. The perverse outcome was that ABC employees in Tasmania were some of the highest paid early years professionals in the state because of our national union collective agreement with ABC Services.

We should not be looking at a market based approach to wages and conditions; it should be sector wide, provide a minimum and lift the minimum standards. You need to do that through quite a regulated industrial system, and clearly Fair Work Australia now provides that opportunity for us. Fair Work Australia and the industrial process across the whole sector should be seen as the path to improve minimum wages and conditions in the sector.

Ms Ackroyd—In the training sector we find fewer and fewer people applying each year to do our qualifications, which are predominantly certificate III and diploma. Because the profession is not seen as a high profession to work in we get quite a few people referred to us from different areas who probably are not that desirable to come into children's services. They are told, 'You probably are not capable of this, but have a look at child care.' The level of academic ability or natural skills of the people we get to choose from in our application and selection processes is decreasing rapidly each year. We find that we have people of not a very high calibre to be able to cope. When they are going on to do diploma, they are exiting at certificate III, and it is the diploma that the services are screaming out for.

As a career choice it is not that attractive. That comes back to wages and working conditions. It is seen as being over-regulated. There are high stress levels and high burnout rates. We are finding people, as I think Tania commented on before, going to certificate III, getting a feel for the sector and then moving on because you get paid more for working in a call centre than you can working with children.

Senator BILYK—Ms Ackroyd, you mentioned that there is a reduction in the number of people actually applying. I remember 20 years ago there was—

Mrs Brennan—Competition was fierce.

Senator BILYK—It was; it was a real competition to be accepted into the TAFE. I am just wondering about something besides the obvious issues that you have mentioned. This is an old line—plenty of people in the room have heard me say this for 20 years or so—but society in general quite often thinks that it is women’s work, that anyone can do it and that we are all nurturing. There is that other line that if you rock the boat then you should not rock the cradle—that type of thing—and that you should not push for better working rights and conditions because somehow that brings into question your niceness or your ability as a childcare worker. But, all that aside, I am just wondering if you think RTOs have had an impact as well outside the TAFE sector, which was the predominant way—certainly, a couple of decades ago, the only way—that you could get that childcare diploma access in Tassie. I am just wondering what your views, or other people’s views, are with regard to RTOs and the standards that are applied.

Ms Ackroyd—Here is my perspective—and I suppose I have to be quite careful in what I say here—about the RTOs that have been opened up to be able to deliver children’s services. A lot of the time, when we have people swapping from an RTO to us—say, for example, they have a certificate III and want to do a diploma—the standard of what they actually have means that they cannot cope with our level of diploma delivery. From certificate III to diploma is a huge jump anyway, but some of them we probably would not have passed as a cert III.

Dr Reynolds—I would just like to make a couple of comments. In order to raise the profession, I think we also need to change our language, and I think that is a part of it. I noted down here that we talk about training and development. I think training is important, but we also need to talk about qualifications rather than the word ‘training’. The other thing is that I hear around the table about the importance of the early years, and indeed they are absolutely critical, but all I hear is the word ‘care’. Again, we need to change our language and talk about early childhood education and care. Once we start using that language, we will be seen differently in the community. Again, it is not just one thing; it is a multitude. It is about raising the profession, it is about quality, it is about equity in pay and so forth.

CHAIR—On the basis of that comment, perhaps I will get another straw poll. Who thinks that it should be our aim in 10 years time to have every childcare worker in Australia having some kind of qualifications in pedagogy?

Dr Reynolds—Absolutely. In New Zealand, Helen Clark did something absolutely wonderful: she regulated the system and said that by the year 2010 everyone had to be qualified. Of course, that was impossible, and now there is this progression, but it has worked very well and it is changing the world over there. Te Whariki is now one of the highest recognised early childhood curriculums around the world.

Ms Cahir—I think there are intractable problems in coping with qualification—or not intractable problems, but ones that will need time to resolve. I think we should put into the equation the proposition that the people most likely to work in child care are those already in child care who have been there for some time, who are possibly the diploma people. We need to find ways to encourage them to undertake further qualifications in terms of moving towards a teaching degree, but those qualifications need to be robust. I can certainly tell you of qualifications where people have a diploma and get two years entry into a degree course, and

they have to do only one to get a teaching degree. That will not support these people to deliver the outcomes we want, but they are a wonderful pool, so we need to provide incentives for them to do it, because if you have not already done a degree then to do one when you are older is going to require a lot of motivation and intention, and it will need incentive and support. People will not be able to do it on top of an existing work day. So in some way some work has to be found to provide time relief—staff relief—to support the services and to replace and maintain salary. It is worth going back to the Big Steps campaign proposal that they developed for looking at a way to do that. It was an LHMU campaign proposal, and it was a really well thought out paper. No doubt David can get it to you; it is a really helpful step-by-step way through it.

The other thing to say about the RTOs is that there are public and private RTOs. Although we tend to say all private RTOs are bad, that is not the case, in the same way as public RTOs are not all good. The notion is that what we want is good quality; whoever delivers has to be good. There are some inherent flaws in the system—that is, if you are doing a cert III and you are doing a placement in a service, only a cert III needs to supervise you. Under the current level of the quality of the qualification, that is a joke. If you are doing a diploma you have to have a person who actually has that qualification supervising you. Good supervision at any level is based on a robust understanding of the capacity for quality and the nature of quality, so cert IIIs should not be in any supervisory role and neither should diploma people. For the time being we will have to keep that, but we have to understand that high-level supervision comes from highly qualified people who really understand their task. We have some deep worries in there.

CHAIR—We have time for some brief final comments.

Mrs Bradley—On the paper here it asks: what is the training culture in Tasmania like? What I can say is that we have a high number of people who act in qualified positions who are not qualified. Those services have conditions on their licence to be able to have that. That is a high number of people acting in those roles. Regarding the cost of getting training, certainly with some of the more unscrupulous RTOs you can get a diploma for \$900. That is attractive to providers. The standard of the training—and I am talking very generally—is not very good. Services decide: ‘It is most cost-effective to spend my \$900 and have someone fast-tracked’—the other day we heard about someone who received a diploma in 20 minutes—‘They’ll get a diploma and then I’ll train them. Effectively, I will anyway. They won’t get any visits, they won’t get any support and none of their assignments will be returned, so I might as well just pay the minimum amount to get the piece of paper and then I’ll do the training in the workplace once they are there. That way I won’t have to have a condition on my licence, because the person has the piece of paper.’ I am from the north-west of Tasmania. If I were to advertise for a trained position, I would be far more likely to have primary teachers apply for the position than a qualified child-care person.

CHAIR—That is a bit sad, isn’t it?

Ms Ackroyd—I would like to add to what Tracey was saying earlier regarding some of the comments about the high level of approved people in positions in Tasmania, where at times it is difficult to have child-care students going into the sector to be supervised by those people with those qualifications. Sometimes the students who go into the services have a higher level of training than the people who are actually able to supervise them.

Mrs Yost—Pam, I know that you are concerned about the training and the ability of child carers to get training. I do not know whether you are aware that the University of Tasmania actually has a flexible mode of delivery, where students can come onto campus and have face-to-face delivery of content, and another mode where they can do it externally. I have students as far afield as the United States of America, Singapore and Budapest. Those students can manage at the workplace. Usually those students are teacher assistants, so they manage the workplace and their study quite capably. There is that provision.

CHAIR—We will have to call it quits at this point. I warmly thank everybody who has taken part in today's hearing. I particularly thank those people who have come some distance to be able to be here today—people from the west coast, the north and the north-west of the state. I know you have come a long way to take part in this. This was an experiment in getting a lot of points of view and we have certainly achieved that. At the same time, we have got a snapshot of opinion across the state. It has been extremely useful. The transcript of today's proceedings will be on the website of the committee sometime in the next week. Obviously the evidence given here will also form the basis for the committee's report in September. If you have any other comments that you want to make about the evidence given today or you have any supplementary submissions, please feel free to contact the committee secretariat with that information. That would be very useful. Again, a very big thankyou to everybody who has been involved today. It is extraordinarily useful to the committee's work.

Committee adjourned at 12.29 pm