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Official Committee Hansard

COMMUNITY AFFAIRS REFERENCES COMMITTEE

Reference: Child care funding

THURSDAY, 23 APRIL 1998

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SENATE
COMMUNITY AFFAIRS REFERENCES COMMITTEE

Thursday, 23 April 1998

Members: Senator Bishop (*Chair*), Senator Knowles (*Deputy Chair*), Senators Bartlett, Forshaw, Neal, O'Brien, Payne and Synon

Substitute members: Senator Gibbs for Senator Forshaw and Senator Woodley for Senator Bartlett

Participating members: Senators Abetz, Brown, Colston, Faulkner, Gibbs, Margetts and West

Senators in attendance: Senators Bishop, Neal and Payne

Terms of reference for the inquiry:

- (a) impact on families, children and child care services of:
 - (i) the abolition of grants and subsidies to child care and vacation care and any future abolition of operational subsidies for family day care services,
 - (ii) any reduction of families' access to Childcare Assistance and the Childcare Rebate,
 - (iii) families only being able to access child care subsidies in the form of Childcare Assistance and the Childcare Rebate if their children are cared for by carers other than the parents,
 - (iv) limits on and regional allocation of child care hours and places and the extent of unmet demand for child care places,
 - (v) any reduction in quality of services or the accreditation system, and
 - (vi) implementing the Child Care Payments Bill 1997 on 27 April 1998;
- (b) the extent and impact of:
 - (i) fee increases related to budget cuts,
 - (ii) child care service closures,
 - (iii) any reduction in child care places,
 - (iv) the use and nature of unregulated, backyard care, and
 - (v) any reduction in hours and services provided to children;
- (c) the effect of taxation, including but not limited to the Family Tax Initiative on parents and their ability and choice to participate in the paid work force or in the full-time care of their children;
- (d) the effect of child care subsidies (in the form of Childcare Assistance and the Childcare Rebate) being available only for families who contract out their child care to others, and not for those who provide child care at home;

- (e) the effect of fee increases and changes in the child care sector on women and their ability and choice to participate in the work force;
- (f) the extent of reductions in Federal Government revenue from people leaving the work force because they cannot afford child care services and the additional cost to Government of social security payments to them and their families;
- (g) the impact on work-based child care and workers where fringe benefit tax exemption for employer-sponsored care has been denied and any restriction on child care places; and
- (h) the impact of the Government's changes on workers in the child care industry and their conditions, and associated job losses.

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Committee met at 9.17 a.m.

CHAIR—I declare open this public hearing of the Senate Community Affairs References Committee. The committee is taking evidence into matters relating to child care funding, which was referred to the committee for inquiry and report by 30 June 1998. The committee will commence proceedings with a community forum. This segment will give individuals in the audience an opportunity to comment on issues relating to child care. You may wish to comment on issues such as access to child care, standard of service provided, financial impact or decision to remain working.

To allow this segment to run in an orderly manner, please indicate that you would like to speak and wait until a microphone has been passed to you. I will then call on you to identify yourself for the *Hansard* record before you address the committee. To allow as many people as possible to have the opportunity of speaking, I will have to restrict your speaking time to three minutes. Would those persons who would like to speak simply stand up and Ms McDonald from our secretariat will identify you and, in due course, bring the microphone to you so that you have the opportunity to make a comment to the committee.

I will introduce members of the committee. On my left at the end is Senator Marise Payne from New South Wales. On my immediate left is the committee secretary, Mr Elton Humphery. On my right is Senator Belinda Neal from New South Wales. I am the chairman of the committee. My name is Mark Bishop and I am from Western Australia.

Would those persons who would like to make a contribution to the discussion in this forum session this morning like to stand so that we can identify you and then we will give you the microphone and get the proceedings going. For the *Hansard* record, once you have been given a microphone, could you please identify yourself and your address so that we have it formally on the record for the future. So let's kick it off. Those who want to speak stand now and we will get the microphone to you. Don't be shy or embarrassed.

BAHARI, Myriam, Community development worker, Wyong Shire Council, PO Box 20, Wyong, New South Wales 2259

BLIM, Sandy, Parent

BLINMAN, Bev, Manager, Out of school hours care centre, Gwandalan

DALES, Diana, 4, Priestly Parade, Point Clare New South Wales 2250

HOLMES, Joan, Centre owner, and Secretary, Quality Child Care Association of New South Wales

JONES, Joan, Manager, Wyong Community Centre

KERR, Mandy, Children's Services Adviser, Gosford Council

MILES, Sandra, Community Services Manager, Wyong Council

O'KANE, Pauline, OOSH Development Officer, Network of Community Activities, 66 Albion Street, Surry Hills, New South Wales 2026

MANDY KERR—My name is Mandy Kerr. I am Children's Services Adviser with Gosford Council. Firstly, I would like to say that the representation here is not an indication of the lack of concern people in Gosford have for the changes in funding, but the lack of knowledge we had that the Senate inquiry was happening here. It is of concern to me that most of the community groups did not know that it was actually on, unless they were directly invited to speak, or unless they happened to see it in the paper yesterday or heard it on the radio this morning.

Can we remember the Year of the Child? What has happened to our most precious resource? Let me tell you. They are playing in the streets. In some of our suburbs of Gosford they are literally in the streets. Many will not attend preschool or any educational service before they attend school. They are being minded by grandparents, who feel they are too old to be patient and do not see it as their job to discipline. Babies are being minded by unemployed young teenagers. Children are being minded in homes with no checks or training of minders or safety of the environment. Children are going home alone to empty houses and children will be home alone next school vacation. What does this mean for the community? It means increased stress, community problems and increased incidence of abuse and neglect.

Even those who are struggling to remain in child care are paying higher and higher fees for less and less service. There are higher fees; fewer numbers; staff stress; reduced planning, programming and preparation time; fewer materials; fewer resources; minimal ratio numbers; increased young, inexperienced staff; and reduced training, including in-service. What does this mean? It means less education and more child minding. I know the government is paying more, but why are our families getting less?

DIANE DALES—My name is Diane Dales and my address is 4 Priestley Parade, Point Clare, New South Wales 2250. I am a district community representative and serve on a number of community bodies, but I am not here representing them directly. My main concern is the financial impact on the family and its ongoing effect throughout the community as a whole. One organisation I belong to is a sporting organisation, and over the years our affiliated bodies have been able to allow children to play at no cost where the families are in financial crisis. Since the change in government policy, we have found through our affiliates that the commitment that has been asked of families in financial crisis has increased dramatically. They are now coming to the governing bodies—and they will be forwarding onto state bodies—for requests for assistance.

Up until the change in government policy, we were handling throughout the Central Coast community, which takes in Wyong Shire, something like 150 to 200 children a year. That is in a six-month period. Over the last season we have just completed, there has been a dramatic increase of 75 per cent, and next season we are expecting to have an increase of between 150 per cent and 200 per cent on those figures. Small clubs cannot afford to cover that. The local governing bodies are only on a community based volunteer basis, and they cannot find the funds to help keep the children playing a healthy sport. That is another impact on the community.

The other thing I would like to speak about is the notification of this hearing. I feel very disappointed for the community as a whole—especially for the child care workers—that they did not know this hearing was on today so that they could come along and voice their opinions on this and speak of the effect on them, and in particular with the timing of it being between 9 a.m. and 4 p.m. when the majority—you might as well say 99 per cent—of the staff are at work. Thank you.

CHAIR—Does anyone else wish to make a contribution? Does anyone else, as a parent, wish to give their point of view on how the changes have affected their family, or are there any workers who wish to talk about how it has affected them? Are there any representatives from other organisations who wish to speak?

SANDRA MILES—My name is Sandra Miles and I am Community Services Manager at Wyong Council. I would like to initially support what has already been said. We were not aware of this meeting until late Tuesday afternoon and, in that short time, it was not possible to get other service providers or community members here to this meeting.

Wyong Shire is in a very rapid development mode and a lot of young families are moving to the Central Coast, where they can afford homes, but it is based on the parents both working. The increase in fees is significantly affecting their ability to maintain their work. We have just been doing budgets for vacation care and, because the services that we provide in Wyong Shire are state funded, those services are not entitled to Childcare Assistance. That means almost 4,000 children who currently attend may not be able to attend because the fees are going up 80 to 90 per cent in July.

Generally, it is affecting the community's ability to continue working and paying for their mortgages. In long day care centres, where we have in the order of 800 children enrolled, parents are now having to drop days and change their manner of attendance at centres, and this impacts on the children and the staff significantly. We are certainly making every effort to keep our fees to a minimum, but it has not been possible not to increase the fees substantially.

Given the limited attendance today, I believe there should be another opportunity provided for the community to address this Senate inquiry, because it certainly is not representative of the concerns of the community in the Wyong and Gosford shires.

CHAIR—Thank you for that contribution. All of the major Senate inquiries run essentially on a dual basis. The terms of reference are advertised and the Senate receives written submissions. We received something in excess of 900 submissions to this inquiry, from nearly all peak organisations and state organisations right across Australia. So, at an institutional level, there was significant understanding of the terms of reference and interest in the committee. Certainly at that level there was detailed knowledge of the programming and planning.

We also received a significant number of submissions from individual parents and a range of child care provider institutions, and all of those have been advised of the planning of the committee over six days right around Australia. This is a regional area, and I do not regard the attendance this morning, in the first half hour, as particularly poor, and you do not

need to apologise for that. There are 25 or 30 people in the room already, and that is quite good for this type of forum.

In terms of advertising and advising, the secretariat has advised and been in regular contact with all of the organisations which are coming along today to give evidence.

This community forum will be for one hour and it is a very important hour for us to hear feedback from individual parents. In response to a couple of comments made earlier, all of the other parties have been advised of today's program—all of the local members of parliament, both state and federal, were advised of the planning a considerable time ago; and the media were advised by press release and formal contact as well. There is a limit, naturally, on the ability of the secretariat to contact individuals to advise them of planning; but there has been no departure from standard practice in advising—in writing—all of those who have been invited to attend to give evidence. We have also spread the word as much as we can through a range of community institutions, organisations, members of parliaments, trade unions, child care centres and child care organisations. We should not be distracted by a view that, perhaps, attendance is not what it could be.

We are simply here to listen to your views on this issue of child care. That is what we are here for—Senator Payne, Senator Neal and myself. It is an interesting, quite topical issue and a lot of concerns have been expressed. We know this from the large amount of submissions received by the inquiry. We are interested in your views, so if anyone else has a different view or an alternate view—perhaps praising what the government has done, or criticising what the government has done—we are more than interested in having that view on the public record to assist us in our deliberations when we settle down later to come up with a set of recommendations. So if anyone else has got a comment to make—

Senator NEAL—Can I make a comment at this stage?

CHAIR—Yes.

Senator NEAL—I am lucky enough to be a resident on the Central Coast, as many of you might know. I conducted a child care forum in Kariong a couple of months ago—in the evening, which is probably more suitable for a lot of parents. Any parents who were not able to make it here today and who are concerned to have their views known can, at this stage, still put in a brief note in writing and their views will be incorporated in that way.

Secondly, I will be organising another child care forum in the evening, probably in the northern end, in Ourimbah-Lisarow. So those people wanting to express their views, but not necessarily to the Senate committee, can express them to me personally. I am obviously very interested, being the shadow minister and a member of this committee. People will have that opportunity as well, if they would like to that. I will make sure that everyone here today is informed of that.

CHAIR—Thank you, Senator Neal.

MYRIAM BAHARI—I am the community development worker with Wyong Council. I work with young people and out of school hours services. I want to remind the inquiry that,

even though child care in pre-schools and long day care centres is important, after school hours and vacation care services are also in need. Children from five to 12 years old also need care and parents need to feel comfortable that their children are being looked after in a safe and enjoyable environment.

CHAIR—The terms of reference specifically include after school care and the issues you addressed, as part of the inquiry. It is not just long day care, it is all forms of child care—private and community, long day care, family day care and the issues that arise from those—that we are interested in. It is not limited in any way.

PAULINE O’KANE—The Network of Community Activities, which I represent, is the peak organisation for outside school hours services. We will be doing a presentation later. It is good to hear that out of school hours services have been incorporated into the inquiry. However, the changes do not actually happen for outside of school hours services until the 27th, so I just wanted to raise that. We will be talking about what we predict and know is going to happen to this sector. The budget reforms that happened in May are going to have a devastating effect on this sector, which, if you like, has been the poor relation of children’s services and has always been run on a shoe-string budget.

I am really concerned that there have been no standards for outside school hours services. With the changes to the budget reforms there is no licensing for outside of school hours services. Quality is going to be jeopardised, and I would like to raise the profile of quality.

The only chunk of the budget that you can cut from out of school hours services is staffing, and that really has a huge impact on the service quality to children. If you reduce the staff, you are really saying, ‘We don’t care about children.’ You are restricting their activities, you are really tying them to a centre, particularly in vacation care. When a lot of children do not have an opportunity to go away on holiday, the vacation care program has taken them away on excursions. This will be reduced. Equipment is already slashed to absolutely core cost. So I would really like to raise the issue of quality. I know the report is going to parliament in June. However, we may not know the impact on outside of school hours services until that time; we can only predict some of the things that we know are going to happen. We already know that in New South Wales 32 services have closed. This is before the impact of the changes. The particularly vulnerable services in the sector are the ones with low utilisation and small school populations. I know that on the Central Coast that is going to be a particular issue.

CHAIR—Thank you for that. Further contributions?

SANDY BLIM—I am a parent with three children, two of whom utilise out of school hours services and one using both long day care and family day care. I would just like to comment on some of the changes that are occurring for parents. Last year I had two children utilising long day care and family day care and I find that this year my cost of having one child in care is the same as it cost me last year when I had two children in care. However, I have saved some costs in that I now have two children at school, and so while school is on my child care costs are quite low. When vacation care comes around, at the moment I know what the costs are and I can budget for that. Like many parents, we do not have the opportunity to take extended holidays equivalent to school holidays. What is of concern to

me is the changes that are happening in vacation care. I know that one of the Wyong Council centres is federally funded and the rest are state funded. It is not clear at this stage how much the increase will be in vacation care costs between this holiday and the subsequent July school holidays. It seems that if I go to one centre I would be entitled to fee relief but if I go to the centres closer to my workplace and my home I would not be entitled to fee relief because they are state funded. So there is that cost and that change that is happening of the moment in terms of out of school hours.

As a parent of a child in school age care, I now have to fill in forms to apply for fee relief. What I found as somebody who actually utilises before and after school care and vacation care that is three forms, and I actually use another centre occasionally if I am working in that area and there is another form. So, instead of being able as a parent to fill in all the information on the one form, I have actually had to fill in four forms with the same information sent off to the same body.

Also, as a parent, if I did not work within local government there is no way in the world I would have known that this meeting is on today, even though, as I said, I actually use long day care, family day care, after school care and vacation care, and if I have to work on a Friday, which is my non-working day, I use occasional care. So I actually utilise five different types of child care services, and I did not know that this meeting was on. I think that is about it from my perspective as a parent.

JOAN HOLMES—I am here under two hats—as a centre owner and as the secretary of the Quality Child Care Association of New South Wales. I will be giving a presentation on that later.

I would like to add to what the parent family said. The fragmentation of the child care industry is absolutely deplorable. We have federal bodies, state bodies, governments, regulations, child care fees and Childcare Assistance, and it is astronomical. The paperwork involved with this new 20-hour cap is phenomenal. As far as I am concerned, as a centre owner, it serves very little purpose when a parent does not even have to tell you where they work. What is the point?

There are inequities, as the parent was saying. She can go to one centre and get X number of dollars fee relief and she can go to another centre and not get any at all. That also needs to be addressed. That is part of my presentation. The fragmentation of the industry really should take paramount importance as far as getting it together is concerned because that is a major part of the problem.

BEV BLINMAN—I run a very small out of school hours care centre at Gwandalan, which is way up north. Our community is quite a low income one during school terms but during vacations we seem to get a few more people from outer areas because the parents can drive their kids to vacation care. Some of those parents will not qualify for any fee relief. Most of our families using after school care will qualify for some degree of fee relief, which is okay. At the moment our fees are \$5 for the first child and \$4 for the second child. That is our full fee. With the new Childcare Assistance, it will go up to \$6 for each child for the afternoon. It is not a great jump for the parents who will have to pay the full fee.

CHAIR—So it is \$5 to \$6 for a part day?

BEV BLINMAN—It is \$5 for a three-hour session for the first child and \$4 for any other children in that family for the three-hour session. With the new funding, it will be \$6 per child for that three-hour session, which is not a big jump for the parents who have to pay the full fee. Most of those parents will get fee relief, so that is okay.

With this new funding, our vacation care fee, which at the moment is \$8 for a 10-hour session and \$7 for the second child or any more in that family, is okay because we usually have one major excursion a week. Our excursion this week was horse riding, which the kids love, which cost \$14 on top of the centre fee. With the new funding our vacation care fee will go up to \$20 a day. The parents who cannot get fee relief will not be able to afford \$34 per child for a horse riding day, which basically means that we will not be able to have as many good excursions, and we will suffer that way. How do we get around it?

JOAN JONES—I am the manager of the Wyoming Community Centre. We run after school care and vacation care. A grave concern that I have at the moment that has recently come out is that a lot of people are now minding children in their own homes. Apparently, once children reach five, they lose some kind of importance because there are no regulations for children over five when they are minded in a private home. There are no regulations through the Department of Community Services, local councils or anywhere.

So people can have 15 or 20 people in their homes without any police checks on who they are. They can be inadequate premises or non-safe premises, with no educational child development or anything like that. I think that is something that no-one has taken into consideration. People can do this for a caring reason, they can do it for a financial reason or they can do it for some really bad reasons. I think that needs to be looked at very carefully because the safety of the children does not seem to have been considered all that much in this change.

CHAIR—Thank you for that. There being no further contributions, thank you very much for all those contributions. They have been somewhat different from those we received yesterday and in Melbourne earlier this week, so they were very worth while indeed.

Proceedings suspended from 9.45 a.m. to 10.03 a.m.

CRAIG, Ms Myra, Australian Services Union, 235 Clarence Street, Sydney, New South Wales

HOPSON, Ms Elizabeth (Betty) Margaret, Australian Services Union, Municipal Employees Union (NSW Division), 235 Clarence Street, Sydney, New South Wales

WATCHORN, Ms Kerrie, Australian Service Union, Municipal Employees Union (NSW Division), 235 Clarence Street, Sydney, New South Wales

ANDERSON, Mr Philip Eric, Independent Education Union, GPO Box 116, Sydney, New South Wales

HERON, Ms Verena, Independent Education Union, GPO Box 116, Sydney, New South Wales

STEER, Ms Naomi Claire, Senior Executive Officer, Labor Council of New South Wales, 377 Sussex Street, Sydney, New South Wales 2001

HEWSON, Ms Michelle Anne, Liquor, Hospitality and Miscellaneous Workers Union, 3B Beltana Street, Blacksmiths, New South Wales 2281

MAGNER, Mr Aaron, Liquor, Hospitality and Miscellaneous Workers Union, Miscellaneous Workers Division, New South Wales Branch, PO Box K808, Haymarket, New South Wales 1240

MARTIN, Ms Greta Christine, Liquor, Hospitality and Miscellaneous Workers Union, PO Box K808, Haymarket, New South Wales 1240

SCOTT, Ms Maggie, Liquor, Hospitality and Miscellaneous Workers Union, PO Box K808, Haymarket, New South Wales 1240

RICHARDSON, Ms Helen Anne, Women's Industrial Officer, Public Service Association of New South Wales, 160 Clarence Street, Sydney, New South Wales

CHAIR—I welcome officers representing the Labour Council of New South Wales, The Australian Services Union, Municipal Employees Union (New South Wales Division), and the Australian Liquor, Hospitality and Miscellaneous Workers Union, New South Wales Branch. The committee has before it submissions from your various organisations. I now invite you to make a short opening statement and, at the conclusion of your remarks, I will invite members of the committee to ask questions. Which organisation is going to lead off? The Labor Council?

Ms Steer—I think I have the short straw. After just whizzing in the rain along the expressway, with multiple accidents, we are very pleased to have made it here safely.

I would like to thank the committee for making this opportunity for New South Wales unions to address you today. In terms of how we are going to deal with it, the Labor Council will make a brief submission, then Mr Aaron Magner from the LHMWU will make a submission and introduce the LHMWU's witnesses, then the ASU municipal employees officers will make a submission, and then the PSA and the IEU will also make brief representations. We are aware that we have only a limited amount of time, so we have all been briefed to be very disciplined—

CHAIR—The program has been shortened somewhat, and the group has only until 11.15 a.m. I should say generally to everyone that if you take a lot of time in making your submissions—because we have read them and identified the core issues—we will not have much time left for questioning; so please bear that in mind.

Ms Steer—As the committee will be aware, the Labor Council is the peak trade union body in New South Wales, representing over 70 affiliates—actually, I think it is 69; somebody else amalgamated the other day, which brings our numbers slightly down. We cover over 800,000 workers in New South Wales. Clearly, many of those workers are affected by the federal government's new arrangements with respect to child care, both as workers in the child care industry and as consumers of the child care industry as parents.

In the Labor Council's submission to the committee we address three main points. Principally, we address the impact of the funding cuts on working parents, and in particular on women, in their participation in the work force. That is a principal concern of the union movement. We also address the issue of taxation and how that impacts on parents—again, particularly women—on lower incomes participating in the work force. We also address the impact on workers in the industry.

In assessing the impact of the new funding arrangements, we relied on a series of surveys conducted by industry organisations and representatives between 1997 and 1998, and they are listed at the back of the Labor Council's submission. I am sure the committee has heard from many of the organisations which conducted those surveys already, so I do not intend at this point to go into that. Some of that survey material, directly collected by the Public Service Association of New South Wales, will be highlighted today by Ms Richardson from the PSA in her submission.

The Labor Council's overall position is based on the material before us. Surveys, anecdotal material and studies from academic institutions like the Institute of Family Studies led us to conclude that the new child care funding arrangements have had a very detrimental effect, in our view, on the child care industry and on the community as a whole.

I am sure that the industry unions and their witnesses today will highlight the impact of operational subsidies on the community sector child care centres, particularly in the context of fee increases, the closure of centres, job losses and the stress on workers.

As I said before, a major concern for unions and community groups is the impact on women. As stated in our submission, there is growing evidence that women are being forced to change their working arrangements as a result of the cuts. It appears now, from Tuesday's *Sydney Morning Herald*, that the Australian Bureau of Statistics' unpublished figures—which

were referred to by journalists in that paper—confirm that women are now leaving the work force. Those figures were not available at the time we made our submission, though it was clear to us—again, from the surveys and anecdotal information—that women were dropping out of the work force. At the time, we surmised that why they were not showing up in the formal labour participation figures was because many of them were in partnerships and, obviously, if they dropped out of the work force, they would not necessarily show up if their partner continued to work because they would not be entitled to unemployment support, which is the basis on which many of those figures are compiled. Just before I go on, could I just ask: is the committee aware of that report in the *Sydney Morning Herald*?

Senator NEAL—Yes.

Ms Steer—Thanks. I will not go into that any further. While I was finalising my submission late last night I made the mistake of getting on to the Web. I was actually looking to see whether there were any further statistics from the Australian Bureau of Statistics. I did not find them late at night, but that does not mean that they are not there. However, I did find an interesting document that I had not come across before and that was the portfolio budget statements presented by the Department of Health and Family Services to parliament for the 1996-97 budget period.

I found it interesting because in the Labor Council's submission we argued that any child care system must address four fundamental principles: quality, affordability, access and supply. I had not really picked up that these were priorities of the government, but when I found the Department of Health and Family Services paper—I am happy to provide the reference to the committee—it set out the following aims for the federal government at the time the changes were first introduced in 1996. They were: choice—to improve choice for families to care for their children; affordability—to keep the cost of child care affordable for low and middle income families, particularly for families participating in the paid labour market; supply—to respond to the needs of families in relation to demand for a range of options for child care; and quality—to work consultatively with states and territories to encourage the provision of quality outcomes for children in efficiently managed services and to support the development of children with additional needs by enabling them to gain equitable access to child care.

Leaving the issue of choice aside, I would say that the union movement was generally in broad agreement with the federal government on those goals, which is a nice thing. I think that these days it may be rare that we actually are in any unity. But I would put to the government—if they seriously were the goals of the government in making those child care arrangements—that, on the basis of the evidence put forward in our submission and on the basis of further evidence that the unions will bring today, those key principles of affordability, supply and quality have not been promoted by the changes but, indeed, have been undermined.

I think the ACTU's submission makes the interesting point about choice, which, as I understand, the federal government, to some extent, has held paramount as one of the key principles in its new child care arrangements. We also believe choice is very important in a democratic society but, in this case, the management of that choice has led, in our view, to the diminution of quality, access, affordability and equity. So we would be saying to the

government in the first instance that, if the government is indeed serious about those principles, it needs to review its child care arrangements and current funding arrangements to ensure that those principles, which are stated there for all the public to see, are indeed met.

I am not sure if it is appropriate at this point but, also late at night, one does think of the future, and in our submission we made a number of recommendations about how we saw the way forward. Our position at this stage, based on the evidence before us, is that we would like to see restoration of the funding that we believe has been cut from the child care services.

I have had discussions with the government on the veritability of the evidence that has been put forward and whether the survey material that we are relying on is indeed concrete enough to make decisions. I would be saying that one of the recommendations coming out from this committee should be that the government should set up a monitoring mechanism—whether that be through a review process or whatever—and then the government itself could actually look to see whether those principles I outlined before are genuinely being met. I do not believe that any of that monitoring is currently being undertaken by the government. Indeed—again late at night on the Net—I was reading a background paper from the Parliamentary Library which was written by Greg McIntosh from the Social Policy Group, and all that background paper relied on were the surveys conducted by industry organisations and the unions.

I would also say—and we did not raise it in our submission specifically though other organisations have—that recognition of the contribution of the community sector is very important. To some extent, the funding issue goes very much to the issue of the private sector vis-a-vis the community child care sector. We certainly do not see it as either/or. We believe both those sectors are very important and have a very real role to play, but they do have different goals to some extent, and we believe that there certainly should be more recognition of that by the federal government in its funding arrangements. A recommendation should be coming out that the government looks more closely at the ways that the government can support the community child care sector.

CHAIR—Thank you, Ms Steer. I call Mr Magner.

Mr Magner—I am very pleased to have the opportunity to address the committee. My name is Aaron Magner. I am a research officer with the Australian Liquor, Hospitality and Miscellaneous Workers Union. The LHMWU is one of Australia's largest trade unions. We represent over 250,000 members, working in a variety of industries across Australia. We are also the principal child care union. We represent non-teacher qualified child care workers, working in both community and private-for-profit child care centres, with the exception of local government centres, which are, of course, represented by the Australian Services Union. The New South Wales branch of our union has over 2,000 child care workers as its members.

I do not propose to cover all of the details that we have already put in our submission, but I do want to highlight a couple of areas that I think it is important for the committee to be aware of. Members of the Senate committee may be interested to know what your average child care worker actually earns. Given that you are probably already aware that

about 85 per cent of the cost of providing a child care centre is taken up with the wages of child care workers, an understanding of what those wages actually are is critical to having a proper understanding of how the industry works. Despite the fact that wages take up 85 per cent of the cost of providing a child care centre, wages in the child care industry are very poor. To give you some actual details: an unqualified child care worker, working full-time—that is 38 hours per week—can expect to earn a gross wage of about \$400 per week. That is about \$10.50 per hour, and that means that they can expect to take home about \$330 per week. That is for a full-time unqualified child care worker.

Increasingly, as you are no doubt aware, child care workers are being expected to obtain formal qualifications. In New South Wales, the recognised qualification is an associate diploma of child studies which is provided by TAFE. It involves two years full-time study and four years part-time study and, at the end of that time, a child care worker entering the industry can expect to earn a wage of about \$486.50 gross per week—about \$400 after tax. Again, hardly a living wage.

The union has received calls almost daily from child care workers who are members of our union, who have been working full-time and who have had their employer announce to them that, because of the cuts in operational subsidy and other funding and legislative changes that have been made by the federal government, they have had to cut hours even further. To illustrate that point, the union would like to introduce Maggie Scott to the committee. Maggie Scott is working at Sydney Day Nursery at their Marrickville centre. She recently had her hours cut significantly.

Ms Scott—I have worked at Marrickville Sydney Day Nursery for seven years. I am employed as a qualified cook. My hours of work prior to January 1998 were 32 hours per week. Since January of this year my hours were reduced to 25 hours per week because of child care fees and the operations of subs were abolished.

My net weekly take-home pay before 6 January was \$620 per fortnight, \$310 per week. It has dropped to \$240.50 per week, a drop of \$70, which is taken up buying groceries and petrol to get to work and paying other bills. The reason for the drop in child care is that we were a 60-place centre and we have now dropped to 40 as a result of these cuts.

I am a cook at the Marrickville centre. The cuts mean that I cannot do most of my duties, such as clean the kitchen, on a regular basis. My day is very rushed. The morale of the other staff at Marrickville is very bad because they do not know whether they have a job or whether their hours are going to be cut either because of the cuts in child care.

CHAIR—You said that the number of children in child care had dropped from 60 to 40. When did that drop occur?

Ms Scott—In January of this year.

CHAIR—Do you have any idea of the waiting list for your centre—the number of places on it?

Ms Scott—We don't have a very big waiting list at all.

Mr Magner—Maggie's situation illustrates that the changes that the federal government has introduced has made what is already a very marginal wage an almost unviable and unsustainable income, particularly for those child care workers who may be working part time. We are seeing a pattern, particularly in Sydney, where you have a class of workers who are descending into poverty and the working poor mantra. This has really been our experience with child care workers and the situation is getting worse.

Child care workers' wages do not reflect the value and contribution that child care makes to the Australian community. That is despite the high demand and value that the community places upon these types of services. In Sydney most of our members simply cannot afford to buy a home. Many still live at home with their parents or, if they live out of home, they will rely upon their partners or husbands for support. I say husbands because more than 95 per cent of child care workers are female workers. Child care workers surely cannot afford to put their own children into child care on those kinds of wages.

The most common complaint we get from our members is that there is a constant lack of recognition and a constant lack of status for their profession. Very briefly, I am aware that the committee has already received submissions on the impact of these cuts upon workers. A number of centres in New South Wales have been forced to close. An even larger number of centres have been able to continue to operate but have only been able to do so as a result of reducing the number of staff that they have working for them. This is something that we can say in our experience affects not only community based services but also private for-profit services. A number of services cannot afford to pay redundancy, cannot afford to pay annual leave and cannot afford to pay superannuation.

Earlier this week we were in the Industrial Relations Commission with a private provider called Next Generation Child Care Centres. They operate about eight private for-profit child care centres. They could not pay their wages for their staff for over a month. That meant that our members went without a wage for that period of time, suffered dishonour fees and defaults on their loan repayments. The submission and the defence that the employer made before the commission was that, as a result of various changes in the level of assistance to parents, they are looking at going into liquidation and the prospects for recovery of that money for our members is pretty grim and not all that great.

I would like to now introduce to the committee an ex-member of the union who in fact lost her job working at Vincentian Village, which is a community based child care centre in the eastern suburbs of Sydney. Her name is Greta Martin, and I will ask her to make a submission to you.

Ms Martin—I am one of those people who live with their parents. I worked up until August in a 68-place long day care centre in the inner city. I was employed there for 8½ years. In May last year our centre was told by the management committee that we were no longer financially viable and that we would be closing. This caused great stress amongst us all: parents, children and all workers. It was decided that the closure would be gradual as there was such an uproar amongst us all. The fees also were raised by about \$30 to \$40 a week. Many families then started to drop the number of days they needed to use the centre as they could not afford an increase of such an amount. This also caused a negative effect on the parents, as we knew what was ahead with the closure. The parents and staff were lucky

to have a very high compatibility and we were unified in our cause. It helped us deal with the situation that was lying ahead of us. The morale across the whole centre was very low during the whole process, as it was quite drawn out.

The gradual downsizing led to my position, which was a qualified child care worker, being made redundant in August of 1997. Up until that last day I found it to be very stressful. As I was the union delegate, I had all the ladies coming to me upset and the parents coming to me asking what could be done and that sort of thing. The centre had been a big part of my life, as I had been there that long. It based itself on the high quality care it gave and the centre had a very good reputation. It had been accredited for three years at the highest level in 1996 at what cost—we did not know this was happening. The families then started to drop the days, as I said. I find now that when I was made redundant I really did not know what to do with myself. I asked the union for a lot of help and support. But now as a person in my own life I find I am very disillusioned with the whole child care industry. Thank you.

Mr Magner—I would like to follow on quickly now and introduce another witness to the committee. Michelle Hewson works at Belmont Community Child Care Centre as a child care worker.

Ms Hewson—I did my associate diploma four years part time as a single mum because I wanted to give children an educational and social environment to make them well-adjusted little people to go to school. I think working parents need to know they leave their children in this kind of environment. Now at work, with everything that is happening, there is a real sense of insecurity and semi-permanence amongst everybody. As Greta was saying, we try to work closely together as child care workers. Now it is panic and no-one wants to give up any work. If we hear about cutbacks, what can we do? We are a three-year accredited centre also, and high quality at that, and that meant that we were over staff ratio; we had more staff that we really needed. If you have got 15 two-year-olds, you really only have to have two staff, and we have three. I think this makes us a high quality centre.

If we have now got to cut this back where do we cut back? Is it no paper towels in the bathrooms or do we cut back staff? We have tried to make small cuts like using recycled paper and cleaning up our toys and not buying anything new because we just can't afford it. As Aaron was saying, in a community based centre, if you have 100 per cent—that is, 50 children every week—85 per cent is wages, 10 per cent is food and five per cent is running costs. If you are not working to 100 per cent, it cannot happen. So everyone feels really frightened about that.

We had a fantastic reputation at Belmont and we had a very long waiting list. We have had a couple of generations come through now, and everyone would tell everyone. Now there is no waiting list, we have vacancies, families are dropping from two or three days to one day and the children are not coping well. They are unsettled, they are wondering what is happening and so it goes on. Quality child care does cost money, and if we really want to have quality child care, that, unfortunately, is what is happening.

As Aaron said, it is a mainly female work force but we do have males in our centre, and this is their sole income. I take home \$388 a week in a 40-hour working week, and that is

not a big wage. For male workers, that is not a lot if you are supporting a family. Now to have an environment of not being sure about that, it is very frightening. I really love child care and I think that is why we are in it. It is a frightening situation to be put in.

CHAIR—Thank you.

Mr Magner—The union's experience has been that it is not just community based services that are suffering, it is the private centres as well. I am aware that the committee heard yesterday that there has been a 30 per cent drop in enrolments from private for-profit child care services, and our experience has been that private centres are being forced to reduce people's hours and cut the number of staff that they have, and of course this impacts upon the quality of child care that they are able to provide.

The survey that the union conducted has shown that parents are paying, on average, \$30 a week extra. Some of them have told us that they have been forced to leave the work force earlier than they planned to, and a number of anecdotal tales have been brought to our attention about children who have been left in unregulated, informal babysitting arrangements—what has been demonised as 'backyard' care. I think this should be of particular concern to the government, particularly in light of the climate at the moment with respect to child protection issues. The Woods Royal Commission has brought down a number of recommendations in relation to child protection and children's welfare in unregulated care. There is no way that that can be in any way scrutinised, whereas it can—

CHAIR—Mr Magner, could I just interrupt you there? I am from Western Australia and in my state regulations provide that, with what was referred to as unregulated care in the home, the maximum number of children that can be allowed is, from memory, three or four. Is that not the case in New South Wales?

Mr Magner—There are regulations that apply to family day care. What I was referring to—

CHAIR—I am talking more of, say, a mother operating privately from home. Is there no limit on the number of children she might have in her home?

Mr Magner—There are regulations that apply, but our experience has been that there are informal arrangements that might arise between a parent and other parents who need child care, and they enter into those arrangements with no disclosure to the authorities and no awareness at all of the regulations. These are mothers who might take children into their home on an irregular basis, not setting themselves up as any type of service provider but providing informal care simply through word of mouth.

CHAIR—We might be talking about different things. Mothers and parents have been taking children into their homes since Adam was a boy. There is nothing unusual in parents taking one, two or three children into their home, and there might be nothing wrong with that. Someone said earlier that it was the practice for a mother to have 15 or 20 children in a home. That is qualitatively different to two or three kids being looked after by a set of mothers or a particular mother, and that is the issue I am trying to explore with you.

Ms Hewson—I did hear that and I think they were saying that there are no regulations once a child is five. They were talking about people taking up to 15 children into their homes for outside school hours care.

CHAIR—Do you have knowledge of that situation?

Mr Magner—I do not have any evidence that I can provide you with this morning in relation to that. All I can say is that we are aware of anecdotal evidence that those situations are arising.

CHAIR—I will not interrupt you at this point. Someone has indicated from the audience that they have some knowledge on this that they will communicate later. You may continue with your comments.

Mr Magner—If the committee was interested, I am sure that we could obtain actual concrete examples of that—if it would be of assistance to you.

CHAIR—It would.

Mr Magner—I would like to recap on the point about private centres being impacted by these cuts. Members of the committee are, no doubt, already aware of the 50-hour limit on Childcare Assistance. I think in the Greater Sydney area—Newcastle and Wollongong—with commuting times being as they are, 50 hours is simply unrealistic for a working parent; and that has had an impact upon private centres as well as community-based centres.

The freezing of Childcare Assistance at current levels has also, of course, impacted upon private centres. There is no indexation of the Childcare Assistance. That means, each year, that the real amount of assistance goes down about two or three per cent; perhaps more in the future. The reduction of the Childcare Rebate—from 30 per cent to 20 per cent of the fees paid, for families with an income over \$70,000 per year—also impacts upon private centres as well as community-based centres.

The LHMWU condemns the federal government's cuts to child care and we call upon the Community Affairs Senate References Committee to recommend the following five points from the New South Wales branch submission this morning.

Firstly, that the freeze on Childcare Assistance be lifted to reflect the real level of child care fees, and to ensure that centre-based care remains affordable for all families.

Secondly, that eligibility for the disadvantaged area subsidy be extended to centres in metropolitan areas that are socioeconomically disadvantaged. The definition of socioeconomically disadvantaged should include areas where there is a high rate of unemployment, a high rate of welfare dependency and a high incidence of low income earners, where there are clusters of public housing; and, of course, should take into account areas where there is a high proportion of people of Aboriginal and Torres Strait Islander backgrounds.

Thirdly, that separate funding models must be developed for out of school hours care to take into account the substantial differences between these types of services and other centre-based services.

Fourthly, that changes to services in terms of operations, staffing and quality need to be monitored—and that is why we welcome the establishment of this committee—to ensure that over the next few years there is an improvement in the level of quality and that the accreditation system is also monitored.

Finally, that a national study be funded to monitor the ongoing impact of changes to child care funding, including the quality of centre-based child care services, the use of unregulated care arrangements, affordability and accessibility of centre-based care, and the impact of women's participation in the work force.

In a nutshell, members of the committee, there needs to be a dialogue with the stakeholders in the sector to ensure that whatever changes are implemented are done after there is consultation and agreement with the people that it is going to impact upon. It is time that the government recognises that the workers in this industry deserve just recognition for their efforts, and it is only with the assistance of the federal government that that can be achieved. Thanks.

CHAIR—Thanks, Mr Magner. Ms Watchorn, are you the primary person from ASU?

Ms Watchorn—Yes.

CHAIR—Okay, then.

Ms Watchorn—I am mindful of the time, so I will try to hurry up—we do have our other two unions wishing to speak. I am with the Municipal Employees Union, which is a branch of the Australian Services Union. I thank you for the opportunity to address the inquiry today. We see this as a vital and important role to express the views on behalf of two of the major stakeholders—being the workers in the industry and the parents. Obviously, by virtue of their role within the industry, that is, either as workers or as parents using the services, many of them cannot be here themselves to speak today. I am fortunate enough to have with me today two representatives who will put forward views on behalf of staff and parents at a later moment.

As our submission outlines, the ASU represents over 200,000 workers across Australia in a variety of areas. In New South Wales the MEU branch predominantly covers local government. We are the major union in local government and cover all child care workers who work in local government sponsored services—over 2,000 members. My role within the MEU is as a child care officer and I represent these workers.

As outlined in our submission, local government provides a large proportion of child care services. In long day care alone, local government provides one-third of the services. Seventy councils across New South Wales sponsor children's services. It is vital that local government remain a major sponsor to offer parents a choice of quality and affordable care. It is of grave concern to our union and the community that, with the impact of the funding cuts and

changes, many councils may review their involvement in children's services. This relates to a fundamental and underlying principle that the child care industry should comprise a variety of choice in affordable quality services. Local government adds to this choice.

I do not believe that the inquiry should be a debate about private or public sector services. It should be about finding a solution to a real problem. Obviously the child care industry is in a real crisis—this inquiry would not be occurring if there were not valid reasons for its initiation. This issue is not affecting just the community sector; it is affecting the private sector as well. Aaron has already stated that the private sector is feeling the affects as well—and many comments were made yesterday which indicated the same.

Parents need options and choices in quality care that meet the varied and special needs that they may have. Parents have a variety of needs and the child care industry needs to provide for those. Some of these include the need for care for under-two-year-olds, the provision of child care services for children with disabilities or from non-English speaking backgrounds, the provision of care over varying hours to cater for parents' requirements and appropriate staff ratios. With regard to appropriate staff ratios, obviously the issue of regulations has been addressed and I take time to mention an example. Yes, we can meet regulations: for example, we can operate with a ratio of only one carer to five children for babies but the stress in the industry of having one person to five babies—say those babies happen to all be under 12 months—is great. It is not a job I would like to do, but that is the scenario that centres and staff can face when working to the bare minimum.

Other needs include the provision of hot meals, and affordability for low income earners. The government has a responsibility to ensure that the lower socioeconomic groups in our society are not disadvantaged and that they have access to this choice of services. This choice of services is a critical issue. Both the public and private sectors provide a vast range of services. No two centres are alike, whether you compare two private centres, two local government centres or two community based centres. Unless two services provide exactly the same, they cannot be compared fairly. Therefore to maintain the position that the removal of operational subsidy has created a level playing field is a fallacy. A level playing field only occurs when you compare like with like; apples with apples. For example, we tend to talk about child care and the provision of child care as just a term—'child care'. However, when purchasing some other consumer good, for example, a motor vehicle, obviously one car is different from another car. It depends on the sort of vehicle you want; airconditioning, whatever. Child care is the same. We cannot talk about child care and expect to feel that every centre we talk about is the same or provides the same opportunities or services. The federal government needs to address its policies to provide a level of funding and assistance that ensures the provision of high quality services that offer parents a true choice, not a choice of lower or unaffordable options.

This union's primary concern is our members, the workers in the child care industry. As indicated in our report—which is slightly different to Aaron's version—labour costs make up about 80 per cent of the budget, yet rarely are workers consulted or heard when major issues affect their industry. We believe child care workers—the professionals within the industry—have borne the brunt of the funding changes.

As our submission indicates, many workers have lost jobs or hours. In local government—specifically, in New South Wales—201 jobs have been affected. The breakdown of that is 136 jobs lost, 50 jobs not replaced and are pending and 15 jobs replaced on a casual or temporary nature. In addition to this, 484 hours have been lost. This is where workers have had to reduce hours of work. This situation, unfortunately, is not getting any better; it is only getting worse. In one western Sydney council 37 jobs have been lost, yet a centre has not closed; so we should not be deceived by the fact that centres are remaining open.

Another area for which it is hard to get exact figures and that remains quite hidden is the casual or relief worker. When staff are away, casuals are called in to fill in that relief. But in the present situation, casuals are not being employed, relief workers are not being employed. This is a statistic that it is hard to get an actual figure on but, obviously, this area of work—which people have relied on for income and where staff are normally replaced when they are ill or on annual leave—has been gravely affected.

Further to evidence of job losses and reduction of hours, there is an array of other issues affecting child care workers. There has been an increase in part-time children where parents have had to drop hours and perhaps use only certain days—two or three days. This has meant that child care staff have more children to plan for: rather than planning regularly, perhaps, for 10 children a day, this figure can now double and triple in terms of the number of children they need to specifically plan for. This has obviously created stress, given that, in the best situation, most workers do not get adequate time to plan and program. This can mean that workers are taking work home to complete their child development and programming requirements. Workers are forgoing breaks and not claiming entitlements due to the guilt and the permanent threat hanging over their heads of centre closure, staff cuts et cetera. Obviously they have grave concerns about their future, their career paths and whether or not they will have a job. In our industry, payment is made under a skills-based award, which looks at the acquisition of skills and training. With the current situation, that access to training is limited because staff cannot be released to get that training.

As I just mentioned with casuals, within the services staff are not being replaced when they are on sick leave—which of course adds stress to the whole situation. Directors, who often had more time for administration, have forgone that time so that they can work on the floor with the children.

All these issues create a very stressful worker. A centre of stressful workers does not provide for an optimum environment for our children. Being stressed, or being placed under bare minimum licensing requirements, only exacerbates the opportunities and potential for accidents and further occupational health and safety issues. I am sure this is a situation no-one wants to see occur. A majority of us would rather see a work force that is happy and secure. At this point in time I would like to hand over to Betty Hopson, Children's Services Manager of Canterbury Council.

CHAIR—Thank you. Ms Hopson.

Ms Hopson—I would like to thank the committee for giving me the opportunity to speak with you and to put forward the views of staff working in local government. Most people

who enter the early childhood profession do so because they have a genuine love of and concern for children. The training and education that we undertake reinforces that disposition to care and concern for children.

The code of ethics that we subscribe to also puts as a central tenet the wellbeing and best interests of children. So the changes that have taken place in the last two years have undermined the whole philosophy that we believe is central to early childhood and quality care. Staff who work in centres are very well aware that the quality of care that they provide to children has a huge impact on the developmental outcomes for children, and we bear that responsibility with a great deal of thought and a great deal of concern. We are aware of the research that shows us quite clearly that these early childhood years are particularly important in the development of the child. We are also aware of the research which indicates what makes up good quality care. We are aware too of the research which indicates that a dollar spent in these early years brings forth seven times the benefits that it would if that money were spent later on with children having to undertake remedial education and with the juvenile justice system and so on. So the money that is spent now serves the community well.

Because we are concerned about the developmental outcomes of the children, we are now faced almost daily with ethical dilemmas since the adoption of good business practice is contrary to the best interests of children. The way we now have to look at the costs of providing care means that we have to look at our staffing levels. It means that we have to look at the content of the educational program we provide for children. We have to look at the resources we provide; we have to look at the nutritional needs of children. As other speakers have indicated to you, 80 per cent to 85 per cent of the cost of running good quality child care is made up in staffing costs; approximately 10 per cent is made up in food. So, if we are to reduce our costs, those are the areas that we need to look at, and those are contrary to the best interests of children. We know that quality care is determined by the staff-child ratios, by the education and experience of the staff and by the content of the educational program that is provided. To cut those very services—those components of quality care—means that we are not providing what we say we are doing. We believe that children and parents deserve better. We know that quality child care is both knowledge and labour intensive and it costs money, so as a community we have to make the decision where we want to spend the money. We believe that money spent in these early years is well spent because the community as a whole reaps the benefit.

Staff are certainly feeling devalued, and have been feeling devalued for the last two years, because of assertions being made that somehow or other child care, as it has been presented and provided in the past, was neither efficient nor cost effective. When staff have heard those assertions, it has meant that we have had to look at ourselves and what we are providing. Parents certainly have indicated to us that they believe that child care is an important adjunct to their lives. Morale is low. Staff are questioning the career options that they have; they are wondering whether it is worthwhile to undertake further training. There had been a very well defined career path where staff could enter the child care field as untrained assistants, work through, gain an associate diploma, move on to become teachers and then, if they so chose, move on and get masters of education. I am delighted to say that this has been happening in the past but now, with the cuts and the continuing concern that child care is not going to be a viable career option, staff are starting to wonder whether it is worthwhile doing that.

I know of an instance here on the Central Coast. It was reported to me personally last night that there is a highly experienced teacher who had been a director in Sydney and had moved here with her family and, because she is so highly qualified and experienced, the centres in this area feel that she is far too expensive to employ. So that woman, with years of training and experience, cannot find a job.

The workload on people who are working in centres—those that have jobs—has increased dramatically. What we are finding is that a number of full-time children in care have been reduced to part-time care because parents cannot afford the full cost of care. Where once we might have had an enrolment of 40 to 45 or even 50 children per week, now many centres are having an enrolment of 60 to 67 or 80 children. If you consider that quality child care is based on educational outcomes for children, that means that the staff have to look at the developmental needs of those children—many more children—to provide the same level of care that they had been doing in the past. That is becoming an impossible ask.

One of the reasons why the accreditation system had been embraced so enthusiastically within the child care field was because the people who were working in this field realised that here we had a system that actually put at centre the best interests and the needs of children. The accreditation system has 52 principles that staff going through the accreditation system need to adhere to. Central to that accreditation system is the quality of interactions between staff and children. It is obvious that, if you are going to double the number of children in your care, the amount of time that you are able to spend with those children is going to be reduced. This has a great impact on the feelings that staff have towards their job. They know that they are not able to do the job that they once did, and that is of great concern to them. They are also aware that, in the past, Australia had a child care system second to none in the world which had been admired by other countries and that what we now have is a second-rate system—or certainly falling towards a second-rate system.

The standards that we believe are necessary to maintain accreditation are going to be very difficult to maintain because of the turnover of staff and children. The directors in the centres are having many more admin tasks to undertake, particularly with the constant changes to Childcare Assistance and the changing hours of eligibility. At the moment, because Centrelink has not quite worked out how it is going to operate with the 20-hour limit for non-working parents, I have found that many of the directors who I am working with are having to make contact with Centrelink on behalf of the parents to try to sort it out. The director I was speaking to yesterday said that she had spent two hours on the phone talking to Centrelink and, in the end, she was not able to get any satisfaction from them.

The parent statements arrived only four days ago, and staff are having to work frantically with parents so that they understand what these parent statements require of them so that they get them back to Centrelink before the new policy comes into operation next week. This all adds to the stress and the concern of staff. They should not have to be worried with this. Their primary responsibility should be working with children. People who are in a managerial role, like myself, are having great difficulty in maintaining the enthusiasm and the commitment of staff because they are now starting to wonder if it is all worth while. We now realise that we are unable to continue with the innovative programs that we were so proud that we were able to offer to children. It is purely going to be basic care if this level of funding is maintained.

Lastly, I would like to say that we believe that we are advocates for children. We think that children need us to advocate on their behalf.

Ms Craig—I would like to thank the committee for the opportunity of speaking to you. I am speaking as a parent of a four-year-old boy in long day care in a council based centre and as the president of the parents committee of that centre. I am in full-time work and my son is in full-time care at that centre. The centre provides high quality care. I knew the minute I walked in that it was where I wanted to take my son. I had looked at about 20 centres and I could see that this one was special. The staff are dedicated and the welfare of the children and early childhood education are clear priorities.

The centre has a great reputation with the local primary schools, who comment on how confident and happy the children are. I worry that the current policies on child care will erode the quality of centres such as this one. If fewer parents can afford formal child care and if the payment arrangements result in bad debts, I can envisage that more centres will have to close.

I would like to emphasise to the committee the effects that the government's child care policies are having on users of council based child care. It appears that the people who are most disadvantaged by increasing fees or decreasing quality of care are those who are already the most disadvantaged in our society—those on low incomes or those who may not speak English well or those who may have low literacy and education levels and therefore fewer employment opportunities.

I would like to share with you two true stories as related to me of parents at council centres. The first is of Tai, who came to Australia as a refugee many years ago. She married and had children, but when her marriage ended she was left with three young children and no support from their father. She was determined that she would build her own life and not be dependent on the government. Under the policies at the time, she was able to access child care while she studied, first, English and, later, accounting. She did very well at her studies. However, last year when the child care fees went up, she could no longer afford to pay and had to give up her studies to stay home and look after the children. The lives of this woman and her three children appear much less promising that they were 12 months ago.

I hope that, as you conduct the hearings, you hear directly from parents such as these. Unfortunately, many do not feel they have English skills to speak at such a forum.

The other story is about Linda, the mother of four children, with the youngest two in long day care. Linda told me that after she pays her child care fees she is working for less than \$30 per week take-home pay. She said that she considered giving up work and staying at home, but she is untrained and has been fortunate to work her way into a good job that she enjoys. She says her chances of re-entering the work force in three years time would be slim and her chances of gaining a similar job after that time would be minimal. So she has made the decision that, while her children are in child care, she will work for \$30 per week—not very rewarding.

Other women I have talked to have withdrawn from the work force and are concerned that they may not be able to re-enter the work force at a later stage. Some women have cut

their working hours because of the increased fees or they have decreased their hours at the child care centre and are using lesser quality, alternative care arrangements for the other hours. Many of the parents tell me that they are unhappy with the alternative arrangements but they feel they have no choice. One parent has cut her child care days to three days per week and grandparents look after her daughter on the other two days. The child's grandfather is a believer in smacking for behaviour management and the girl's parents would prefer that he didn't use that form of discipline.

On the other hand, the grandparents feel that their time is encroached on. The situation has caused tension in the family and the girl's mother has decided to look for part-time work as she finds the current arrangement stressful and unsatisfactory. As parents, the welfare of our children is paramount. It is very distressing for parents to feel that they may be putting that welfare at risk.

Ms Steer—We have two final brief submissions—one from the Independent Education Union, represented by Verena Heron, with one of her members, Mr Philip Anderson, and the Public Sector Association, who has a brief statement to read.

CHAIR—We have received the submission from PSA.

Ms Heron—I am an industrial officer with the Independent Education Union, New South Wales Branch, and with me is Philip Anderson, a member who is currently working as a teacher at Kintaiba Child Care Centre in Newcastle. I will just make a very brief submission. We have put a submission before the committee, which I understand you do not have with you today.

The Independent Education Union represents over 40,000 members nationally in non-government schools, private colleges and early childhood centres. Within New South Wales we have 18,000 members employed in non-government schools, early childhood centres and private colleges. Over 1,100 of our members are employed in child care centres in New South Wales, as teachers and directors within their services. In our submission to the committee, we are representing not only the views of the child care teachers but also our members who use child care services.

Before I hand over to Philip Anderson, I would just like to talk about the union's view on child care and why we believe child care is important. Over the past 10 years we have seen increased participation of women in the work force, and the demand for quality child care has increased. The provision of quality care is recognised as being a crucial factor in the continuation of national economic growth. The changing patterns of work force participation, increased employment rates for women, the number of sole parents and changing perceptions about the roles of women and men have resulted in significant increases in the demand for child care services.

I believe that the government has to recognise that when the Commonwealth children's services program was developed, the provision of children's services was seen as a component of the social wage, and employment benefits such as superannuation, universal health insurance and quality care were seen as major contributions to family living standards.

The policies of the current federal government have resulted in: an increase in fees charged to parents, and we believe this has happened in both private and community based services; a decline in the number of people—women in particular—in work or seeking work; changing and lowering the hours of work; underutilisation of children's services due to the number of families opting not to use child care services; child care employees' conditions of employment being reduced, with many employees losing their jobs; and the closure of centres in both the private and community based sectors. The union believes that the full impact of the current government's policies have not yet been felt and that there will be a further shake-up in the industry unless the policies are changed within the next 12 months. I would like to hand over to Mr Philip Anderson, who is currently employed in the industry.

Mr Anderson—Changes in funding have resulted in increased fees, which have resulted in families being less able to access the centre where I am working, so we have been reduced from a 60-place centre to a 46-place centre.

CHAIR—Mr Anderson, is your centre a community centre or a private centre?

Mr Anderson—It is a community based centre.

CHAIR—Thank you.

Mr Anderson—As a result of the reduction in places, five out of 11 staff members have been faced with reduced hours or redundancies. I personally had my position reduced from that of a full-time teacher to a position of 24 hours a week. I am deeply concerned about my position in the child care industry. I feel as though I am unable to fulfil my role of supporting parents and meeting their needs, as I am powerless to decrease the centre's fees or to promote parents' ability to make choices in relation to child rearing.

I feel saddened to see staff morale drop and the sense of community we had developed become lost due to the constant reality of job instability and insecurity that has arisen. I feel helpless that I am unable to create a stable environment in which my children's needs can be optimally fulfilled, due to the lack of control over the changes to staff which result in unsettling conditions. I feel resentful that I am having my hours reduced and yet I am experiencing higher levels of stress, and I am still required to expend similar levels of energy due to the need to communicate regularly with staff members who work with my class in my absence. I feel little job satisfaction as a result of all of these factors and the underlying message being sent out about early childhood professionals.

Although it is patently obvious that as a profession we are dissatisfied, our needs are not being met and we are unable to fulfil our job responsibilities, it seems that little effort is being made to rectify the situation. Thus, I assume that this is due to the lack of value towards our profession. Morally, ethically and economically, we cannot afford to undermine the value of early childhood education, the rights of children and the rights of families.

Ms Richardson—I am a women's industrial officer with the Public Service Association of New South Wales. I will speak briefly in support of our submission to the inquiry which was based on a survey of our members. I am looking at this from the point of view of the impact cuts have had on our women members. We randomly surveyed a number of women

members and got back 75 responses to a questionnaire. The answers to the questionnaire indicated that increased financial pressures were causing stress on these families and forcing some members to reduce their working hours, consider leaving the work force or reluctantly increase their working hours to cover rising child care costs. Financial constraints also meant that parents were forced to accept a type of care that was not their first choice. This generally meant using family day care rather than centre based care or using informal care arrangements such as grandparents. While some parents were very happy with family day care, for others it was the only option because it cost substantially less than centre based care and because it is more available than centre based care.

Another aspect that came out in the survey was that increases in out of school hours care fees meant that some parents were choosing not to use this care either in the morning or the afternoon. We had a number of instances where they were saying that their children would just have to go home on their own and let themselves in or go to a neighbour until their parents got home. Quite a few respondents noted that their out of school hours care centre faced closure due to withdrawal of the operational subsidy, and one person said that her centre had already closed.

Another factor which came out was the decline in the quality of services and staff numbers. People commented that centres had put the fees up but that they had decreased staff numbers and that did not seem fair. There has also been a reduction in things like hot meals, snacks and drinks and they were asking parents to cover a lot more out of pocket expenses, such as sunscreen, and do a lot of fundraising for the centres.

I would like to briefly read a testimonial from one of our members to give you an idea of how these cuts are affecting people in reality. This is from Patricia Mackay of Croydon Park. She says:

I have two children. One in Family Day Care and one in OOSC (out of school hours care) after school.

My younger son was previously in Long Day Care for 12 months. I was paying \$170 per week for long day care plus \$30 per week for out of school hours care. I had to remove my child from long day care when the fees were increased to \$185 per week because I could no longer afford it.

This was at great inconvenience to my family and was emotionally upsetting. I had to place my son in Family Day Care and although the carer I have is excellent, I feel my child has lost certain educational opportunities which cannot be provided in Family Day Care. I also have to travel 2 extra suburbs to family day care whereas previously both my sons' centres were in the same location.

I have had to make career sacrifices in order to achieve a balance between work and family issues. As I am not in a position to afford before school hours care as well, I have to start work late in order to take my elder son to school and younger son to day care. This causes additional stresses at work in what is already a stressful job. It also means that I don't finish work until 7.00 pm most days. Fortunately my husband is able to collect the children and manage evening meals, baths etc, but it is not easy for anyone and we all resent my not being home earlier.

Whilst my employer/organisation is willing to allow me the flexibility to start work late I am not available for key work meetings, activities which are scheduled before 10 am. The additional cost of before school care for both children is about \$30-\$40 per week.

The rises in the costs of out of school hours care that my centre will shortly impose will only further strain my family budget. We have no choice but to pay the fees as we do not have extended family networks in Sydney to assist us. It just means that my family will have to go without something else.

The loss of subsidies has meant centres have had justification to pass more costs on to families. It is also an excuse to cut quality and staffing levels. I feel the Howard Government's approach to the childcare issue is an affront to families and to women in particular.

So the PSA would support the submission.

Senator NEAL—A lot of submissions we have heard have suggested that there should be major funding returned to child care. I am particularly interested in what the priorities should be if funding is returned to child care: should it be an increase in Childcare Assistance or in direct funding to child care centres; or is there another idea which is completely different? I am interested to hear your views.

Ms Heron—I think there have to be two things. The government has to realise that there needs to be an appropriate mix of services. We need community-based services and there is room for private services within the marketplace. Unless the government is prepared to put some funding into community-based services, we will see no further growth in them. There is no opportunity for community-based services to increase their capital. There is no capital works—or very little—for the establishment of new services.

I am not too sure about the answer as to how it all should be funded or whether we should just increase Childcare Assistance. From talking to my colleagues in the union movement and other players in the industry, I do not think any of us have the exact answer. Maybe what the government needs to do is to set up an inquiry into the various models of funding which could look at other countries and other ways. We need to set our goals, first of all, about what we want to give to the children of Australia. If it is that children should have access to quality services, then we need to look at the best funding models for those and the best model for delivering them.

I think community-based services have some difficulties in the fact that they are often isolated and they are run by volunteer committees. That is a problem they have always had, in terms of the continual turnover of their management committees. I am not too sure about the best model for delivery of community-based services, but there is a need for the government to be committed to community-based services as well as to parents who may choose to use private services.

The national planning framework will give some idea of where services should be located. We would welcome the opportunity for that to occur—particularly the ACTU—but also other organisations which have been pushing for a national planning framework for some years.

Senator NEAL—Anyone else like to comment on that?

Ms Hopson—I would also like to endorse the need for a real choice for parents—in private services as well as in local government and community-owned services. The community-owned and local government services are not likely to be able to remain viable if

there is not some sort of financial support for them. I would agree that there needs to be careful thinking about the requirements to make sure that there is this choice available for parents, and that they can make the choice between private and non-profit services.

CHAIR—Anyone else like to contribute?

Mr Magner—Just briefly, I would support the comments of the two speakers so far. Our experience is that a number of centres are right on the edge. As we speak, they are haemorrhaging pretty badly: they might not have been forced to close, they might not have been forced to make people redundant at this stage, but they have indicated to us that, if the current funding levels were to continue, then their long-term viability would be in jeopardy. As an immediate measure, there needs to be some assistance allocated to those centres that are most at risk of closure. But I would also support the concept of having a broader study that looks at all the different funding models and consults with the industry before any of those funding models are implemented.

CHAIR—Thank you. Anyone else? Senator Neal.

Senator NEAL—One issue that was raised in hearings back in Melbourne earlier this week was the difficulties many community-based centres faced, on a financial level, because of the size of the centre. I assume it varies somewhat from state to state, but we were told in Victoria that numbers in most community-based centres were 35 or sometimes less and this made it quite difficult to cut costs effectively without really taking away from quality.

The discussion then turned to the issue that the bigger you get, sometimes the more difficult it is to properly provide care for children at the centre. NACBCS—I think it was—suggested that a capital fund should be provided towards community based centres to increase their size or to fix some of the centres that have deteriorated over time. Do any of you have any views on that proposal?

Ms Heron—I think I could refer only to the original. When the Commonwealth was originally putting funding into community based services, they reckoned that the optimum size was 40, and the model that they based their funding on was actually a 40-place centre. That was the original. They felt that was the optimum size and gave the optimum child-staff ratio. Maybe the committee needs to go back into government archives to see the reasons—and I am not aware of exactly why 40 places was considered the usual size for a community based centre—the Commonwealth determined that most community based centres would be 40 places and why they modelled their funding on that, including the original operational subsidy and the original subsidy for staff wages.

Mr Magner—I know that a number of centres attempt to reduce their staffing levels so that they are able to operate right under the threshold of 29-place centres, and some people are of the view that, in the short term, that will provide them with significant savings because they will not need to employ an additional qualified teacher. But our union's experience has been that that does not give them the critical mass to enable them to have flexibility in rostering arrangements; so, in the longer term, that is not viable. I think more than 29 certainly would be the optimum size of a centre.

Ms Heron—At the moment many community based services in New South Wales are dropping from 40 to 39 places because that requires them to employ only one teacher as compared with two as they do not have the cost structure of employing two teachers. Teachers are not paid the same as teachers in schools by any means—they are paid some 10 to 15 per cent below what teachers are paid in schools—but their wages are significantly higher than child care workers.

Senator PAYNE—I recognise in all of the evidence given this morning that your concerns are for greater support for community based centres across the board. After all, that is why you are here. But I particularly want to ask a question, and would be interested to hear a response from whoever would like to answer it, about support for low income families in the community. Three times the number of low income families in the community—and your unions by and large represent low income workers, as I understand it—use private child care centres compared with those using community centres. So the figure is 96,000, compared with 28,000 or something like that. Those people might find themselves living in a street which has, at one end, a community based centre and, at the other, a private child care centre. They send their children to the private child care centre, but the centre at the other end, under the previous arrangements, was receiving an operational subsidy—a subsidy from the government to operate—and those two families find themselves on the same income in the same circumstances.

The government, in making the changes that it has, has looked at a question of equity in addressing the removal of the operational subsidy. I would be interested in any of your comments on where you think the equity would be in replacing that operational subsidy to support community based child care centres when low income workers who are sending their children to private centres do not receive that support.

Ms Heron—I think part of the problem is the complexities of the industry and how it has grown in the last five or six years. I do not think we have actually made any studies where we can look at where the community based services have been established and where the private services have been established. When Childcare Assistance was granted to the private sector, there was a proliferation of child care services being built, and mainly they were built in low socioeconomic areas.

Senator NEAL—Just to be fair, there is a fundamental reason for it, and it is largely because low income families are often one income families and the care is for non-work-related care—

Senator PAYNE—Could we have the responses first.

Senator NEAL—I just think it is fair to—

CHAIR—Order! Senator Neal, the question has been asked of the panel and we would like to hear their response.

Senator NEAL—They are suggesting a reason—

CHAIR—No, Senator Neal, we would like to hear the response from the panel. Continue, Ms Heron.

Ms Heron—I think we need to look at where the services were established and why there were not community based services in those areas. One reason is that there is a lot of non-work-related care being used, as Senator Neal indicated, in those services, but also for the work-related care it may have been the only service that was available to the parents in that area. There has not been the establishment of a large number of community based services in the last—

Senator PAYNE—But in terms of the subsidy that I was talking about, why pay one and not the other?

Ms Heron—If we returned operational subsidy in its previous form, I am not suggesting that. I do not have the answer for where the funding is going. We do need to support the community based services because they have special needs and because they are quite different from the profit based centres in terms of the types of services they offer and in terms of the parents who use those services. I do not have the answer to that.

Ms Craig—If I can just add to that, the situation may be slightly different now but I can say that as a parent looking for child care originally I did look at about 20 centres, and the majority of those were private centres because the community based and council runs centres had the longest waiting lists. I am not saying it is true of all private or community based centres across the board but, in the area I was in, the council and community based centres were perceived to have higher quality care and better educational outcomes for children, so the waiting lists were exceptionally long. On the private centres, I could have got my child into one private centre on the spot. So I think that often low income families are using private care because it is the option that is available to them at the time. That does not answer your question on subsidies, I know, but that was certainly the reasoning. Perhaps at the time there was a proliferation of private centres in the area that I was living in but there were not any new community based or council centres being established at that time.

Senator PAYNE—Ms Hopson, you said in your evidence that adoption of good business practice is contrary to the best interests of children. I want to ask you a question about quality and accreditation. As I understand it, community centres and private centres are bound by the same state standards and regulations wherever they exist. They are accredited by the National Child Care Accreditation Council and they must participate in the process to be an accredited centre. They are actually accredited at about the same level, give or take a couple of per cent—at around about the 90 per cent level. Were you suggesting in your evidence that private centres, as opposed to the ones you work in, are not working for the best interests of children, or that there are children at any sort of risk in those centres?

Ms Hopson—Of course not. I was not implying that at all. I was saying that good business principles require you to cut costs, whether it be in the for-profit or non-profit sector. What I was trying to intimate was that in cutting costs the only areas in which we are able to cut costs are in staffing, food or resources, and that runs contrary to what we believe is the best interests of children. The accreditation system is very clear: you need to have at least minimum levels of staffing in the centre in order to comply.

There are those 52 principles that we have to adhere to in order to become accredited. Part of that is the way in which staff interact with children. What I was trying to say was that by cutting costs—which in a normal business would perhaps be seen as very good practice—staffing, food and resources is not necessarily in the best interests of children.

Senator PAYNE—So in terms of the services that you manage through Canterbury Council, would you agree that you see an enormous amount of pressure on how centres structure their fees and run their costs, which include staffing costs, plus workers' compensation, plus superannuation, plus all of those things and the other issues that you have raised? It is not just a question of a subsidy or not a subsidy; it is wrapped up in that whole process.

Ms Hopson—I will use our centres as an example. The operational subsidy that we received formally was equivalent to the director's salary or to an assistant's salary. When you remove that from the centre's budget, it has to have a tremendous implication on the centre. So we had to trim costs somewhere. Council was very supportive of parents. They did not want to pass on the total cost to parents, which they could have done. We looked at ways in which we could trim the costs.

Council also decided to absorb some of those costs in the first year. Whether they will be able to continue to absorb those costs, I do not know. That will be a council decision. When you look at it in those practical terms, I think that helps you to understand how difficult it has been to make sure that the level of quality remains but yet falls within the budget that we now find ourselves with.

CHAIR—I thank the Labor Council of New South Wales and all the affiliated unions and representatives for coming along this morning. It has been most useful.

[11.38 a.m.]

COMANS, Ms Jo, Executive Director, National Family Day Care Council of Australia, P.O. Box 571, Gosford, New South Wales 2250

FODEN, Ms Bev, President, National Family Day Care Council of Australia, P.O. Box 571, Gosford, New South Wales 2250

O'KANE, Ms Pauline, OOSH Development Officer, Network of Community Activities, 66 Albion Street, Surry Hills, New South Wales 2010

ROBERTSON, Mrs Christine, OSHC Development Officer, Network of Community Activities, 66 Albion Street, Surry Hills, New South Wales 2010

HOLMES, Mrs Joan Patricia, Secretary—Executive Member, Quality Childcare Association of New South Wales, 2 Hibiscus Street, Greystanes, New South Wales

CHAIR—I welcome representatives from the National Family Day Care Council of Australia, the Quality Childcare Association of New South Wales and the Network of Community Activities. The committee has before it submissions from your organisations. I now invite you to make a short opening statement and, at the conclusion of your remarks, I will invite members of the committee to put questions to you. Ms Comans, would you like to lead off?

Ms Comans—We would like to give you a brief presentation. I will start off and then Bev will follow on. The National Family Day Care Council of Australia appreciates the opportunity to appear before this inquiry into child care by the Community Affairs Reference Committee to represent the views of the family day care community in Australia in relation to the terms of reference of the inquiry.

It was our goal in preparing our submission to the inquiry to provide the perspective of the family day care community on the very broad and far-reaching matters covered by the terms of reference. Accordingly, our submission has in the main taken a general approach in its content, that is, the family day care community has made comment on matters that may be more directly impacting on other service types at this time. However, in cases where the reference dealt specifically with the family day care program we have provided specific and more detailed input for your consideration; for example, issues around any future or potential removal of operational subsidies from family day care and quality assurance, or a QIAS system for family day care.

This Senate inquiry into child care funding provides us with an opportunity to review Australian child care and to consider how the system is performing as we move towards the close of not only the decade but also the century. As we have stated in our submission, it is our opportunity to consider our achievements, to note our progress and to take stock of the current implications of that progress for Australian children and their families. While not wishing to repeat what has been outlined in our submission, we consider it vital that we re-

state the urgent need for the Australian community to reconsider child care in terms of what is important for families but more importantly what is important for children.

Child care is here to stay. Just like health and education, which remain vital components of the community and social infrastructure of our nation, it is not going to go away. Child care in this country has for more than a decade been driven by three very basic principles upheld by the Australian children's services program and funded by the Commonwealth government. It appears from our consultations that these basic principles of quality, affordability and supply have been and continue to be eroded by recent child care policy initiatives, including those of both the previous Labor government and the current coalition government. Our submission takes a detailed approach to these important matters and outlines a range of feedback which supports a level of real concern within the family day care and general community.

The approach taken by this current federal government, which adds to the three principles of quality, affordability and supply a fourth of sustainability, may yet put in further jeopardy our national system of child care, which has, as we have heard from speakers earlier this morning, become internationally renowned. The new climate of sustainability sees no additional funds provided to the system and focuses on user pays principles. Such strategies may see sustainability driven by market forces to remove many of the users and providers and to deliver a program which sustains itself by retracting.

Over the years since the inception of the Australian children's services program the purpose of government support has been to ensure basic rights for Australian children and families, that is, an adequate supply of child care which is affordable and of good quality. Competition and private market forces alone cannot guarantee these rights. It is vital to stop and take account of the input to this important inquiry, which comes at a very timely position in the history of this nation, and to seek the government's support to think again about driving child care via market forces; to think again about allowing Australian families to suffer hardship and stress because of their need to earn an income; but more importantly to think again about the outcomes for Australian children, who warrant a better deal than to be left to the best they can get and not the quality they deserve.

The following more detailed comments from our president, Bev Foden, will outline details additional to our submission and will serve, we hope, to better inform the inquiry in the later stage of its work.

Ms Foden—My name is Beverley Foden. The National Family Day Care Council of Australia appreciates the support for and the confidence in family day care that this federal government has demonstrated. However, there remains an ongoing need for governments to consider ways to better meet the unique needs of the family day care community. The National Family Day Care Council of Australia stated in October 1997, when giving evidence to the Senate legislation committee, that changes to Childcare Assistance and the Childcare Rebate payment systems must provide a better more efficient system. We are pleased to provide positive support for the government's decision to abandon the planned changes to payment arrangements from services to parents until a simple and effective system is developed and implemented.

The government again responded when the National Family Day Care Council asked for deferral of the 1 January implementation date for Childcare Assistance changes. The worst possible time for such change was 1 January. It was then proposed to be implemented at a later date, which was 1 April. This has now become 27 April, which is very soon. Whilst this deferral was another positive step, it has become evident—since the national council's submission to this inquiry—that the range of changes to be implemented on 27 April involve the following issues for family day care. There is a need for better information about the processes needed in the delivery of policy changes in child care services. The family day care community continues to raise concerns about the confusion and the lack of information around the changes. More realistic time frames are needed around the implementation of any changes with effective and responsive consultation processes. Even with changes adopted to simplify paperwork—based on feedback—consultation processes have still been flawed and time lines have been unreasonable. Piloting changes may be a useful way to go in the future.

Family day care issues which remain include large user numbers and, therefore, long time lines are needed to implement any change involving our users. The parent statement forms are an example of the huge numbers of people who family day care needs to inform about changes and provide with paper work. Access to parents is much more difficult in family day care than in centres. Centres have an administration unit and they usually have contact daily with the parents. In family day care, the contact with families is via the carer who is our service provider.

Any additional administration tasks, particularly those without resources and poor time lines for planning, detract from the vital quality assurance components of the family day care coordination units. Recognition and resourcing of the additional workload is also essential. As an example, Centrelink is funded to deliver the income eligibility component of the Childcare Assistance system. Child care services have not been funded to deliver the works test or the immunisation eligibility components. Centrelink will be funded when they take over responsibility for both the works test and the immunisation eligibility components at a later date.

The 20-hour limit and the effect of the works test is another area that we would like to raise with you. Concern has been expressed about the application of the works test as a mechanism to ensure targeting of Childcare Assistance for work related purposes. The 20-hour limit will not effectively be implemented or maintained using this mechanism, which needs more stringent application and a more effective penalty system. This eligibility component should be administered by Centrelink.

Another area for us is school age children and decreased subsidies. Family day care has very serious concerns around subsidies for school age children—remaining the same as those raised with the Senate committee in October 1997. The child care payments bill held some matters of grave concern around the level of Childcare Assistance for children of school age. In family day care, there has been a reduction from \$2.30 per hour for preschool age children to \$1.95 per hour for those of school age. Some years ago it became evident that the government and the department were set on restructuring the age spread in the family day care program—removing school age children from family day care and, in doing so, freeing up under-three-year-old places and reallocating the school age children into out of school hour services. It appears that this initiative around reducing the Childcare Assistance

entitlement in family day care that is currently being introduced has been contrived to make this engineering occur. It is our grave concern that, rather than moving children from family day care into out of school hours services, because of the unreasonable costs we will see families pressured to use other less palatable options—‘backyard’ care, informal care or, worse still, no care at all: a nation of latchkey children.

A further matter related to this school-age initiative is that of the unrealistic cost to be imposed on the parents of school-age children who require family day-care for more than the predicted few hours a day for before and after school care. These children find themselves in care to accommodate their parents’ work patterns and are often there for long hours in vacation care, early mornings, overnight and/or at weekends. With sole-parent families, shift workers and the like, the costs impact of the reduced subsidy level is prohibitive. These children are in family day-care because no other service type can accommodate these extended and difficult hours of care. Their parents will have to pay a large gap fee for any care for school-age children and it is likely that parents will be forced to leave the work force altogether. It is the strongly held view of the National Family Day-care Council of Australia that the reduced subsidy level for school-age care should apply only for core hours and that all other care for school-age children should be at full Childcare Assistance levels in recognition of the flexible and extended care being provided in family day-care, the service that provides for care that no other service can.

Mrs Holmes—On behalf of the Quality Child Care Association, I would like to thank you for the opportunity to speak. The Quality Child Care Association recognises and supports the government and commends the government on their stated principles that they require in care for children, those of affordable quality care for every child to access. However, there are some inequalities that the association feels need to be addressed. The private sector of child care in this country provides 73 per cent of the placements and 27 per cent are provided by community based centres. The association feels that to simply reinstate the community based subsidy would only benefit those children and parents who are able to access placements in those particular centres.

The private sector has not had to raise their fees by the media stated \$20, \$30 or \$40 a week. They have not had subsidies given to them. Yes, there have been some increases. For example, in my centre, which is now operating into its fifth year, we have increased our fees by \$3 over that period of five years, and that is all. Those increases have not come from any removal of subsidies because we never got any in the first place. They have come from wage rises and the government cutbacks in other areas, which have affected all parents who use child care. The Quality Child Care Association feels that, rather than simply supporting a small minority of the child care placements, we should address the inequities in other areas that cover all child care. These end up undermining the principles that the government continually states, which are quality and affordability.

The first is family day-care. The rebatable hourly fee for family day-care is quite different and in excess of the ordinary Childcare Assistance. For example, for 34 hours in family day-care the rebatable hourly fee is \$103.70, of which parents attending that family day-care will get their percentage, whatever that may be. For long day-care that is centre based, the rebatable hourly fee for 34 hours is \$78.20. You there have a discrepancy immediately of \$21.20 which has to be borne by the parent using long day-care regardless of

how much that parent earns or regardless of their percentage. The Quality Child Care Association believes that should be addressed and consequently from that you would be supporting the families, not the centre, regardless of whether it is private, community or anything else.

A further inequity is the 50-hour cap. That is very discriminatory against parents who work five days a week. Parent A works five days a week and travels to Sydney from Gosford. That parent would require another 2½ to three hours travel time and consequently would go over the 50 hours over the week. That parent can apply for and will be granted Childcare Assistance—there is no problem with that. However, parent B, who is fortunate enough to work in a local office, full time five days per week, 8½ hours per day, does not access more than 50 hours and consequently must pay the remainder of the fee, which in my centre—and I can only talk about my centre—is an extra \$16 a week.

Senator NEAL—I do not understand that. Are you saying that if they need the additional time for travelling they can get an extension of Childcare Assistance but if they are working they cannot get extension?

Mrs Holmes—Only if they go over 50 hours. If you work in Gosford and travel from Wyong to Gosford that is approximately 30 minutes each way; an hour a day.

Senator NEAL—So you are saying that they cannot get an extension to 50 hours? But they do not use 50 hours, do they?

Mrs Holmes—No, but they work five days a week.

CHAIR—But they would come within the 50 hours.

Mrs Holmes—They are covered by the 50 hours but my centre is open for longer hours than the 50 to accommodate the parent who needs to go to Sydney.

Senator NEAL—I see what you are saying.

CHAIR—I do not.

Senator PAYNE—Neither do I. They do not need more than 50 hours.

Mrs Holmes—No, but they need to pay for more than 50 hours if the centre is open for more than 50 hours.

Senator NEAL—The centre has to be open for 50 hours.

Senator PAYNE—The point you are making is that they should pay for the hours they use.

Mrs Holmes—No, the point I am making is that they should have Childcare Assistance available for the entire time the centre is open because the centre cannot fill the place before and after that child attends on five days a week. I can go into that further at a later stage.

CHAIR—We might return to you with a question.

Mrs Holmes—Another inequity is the 20-hour cap. Why should a family who chooses to stay at home not be able to access care and education in a local centre that is open for more than 10 hours a day? They will again have to foot the bill for the full amount of time that the centre is open. The impact of these things is that parents are reducing their days in care. In the case of the worker they are coming four days a week because they get full Childcare Assistance for those four days. On the fifth day they are going to unregulated backyard care. That consists sometimes of grandparents; sometimes it is simply a lady down the street. A prime example of that was illustrated in an article found on the Web. In Queensland a child died in unregulated backyard care. The transcript of this is available. There was a coronial inquiry and it was found that there were 13 children in that house. The child died because other children put the child into a bath and the child drowned.

The other inequity coming from that is the funding of cash rebates via unregulated carers. People who are not licensed and who have two or three or more children in their home only have to apply to the cash rebate scheme to be a carer and the people who bring their children to them are able to access the Medicare cash rebate. The Quality Child Care Association believes that government money should not be put into that sort of thing. We are better off addressing these inequities.

Finally, the other aspects that we feel need to be looked at are other governing things such as the regulations and the anomalies within the regulations. If these sorts of things were addressed then the costs of child care could definitely come down and individual parents would be able to benefit.

Mrs Robertson—I would like to start by thanking the committee for issuing the invitation to Network of Community Activities to address this inquiry. Our submission provides an extensive overview of the delivery of outside school hours care as well as addressing some of the relevant terms of reference to the inquiry. I draw your attention to that overview because we do speak specifically on behalf of outside school hours care services.

Network of Community Activities is the only peak body for outside school hours care, and it is commonly referred to as OOSH services in New South Wales and, if you will allow me, I would like to use the term 'OOSH' in referring to school age care today.

Network was formed in 1974. It is a membership organisation, currently having 550 OOSH members out of the 621 funded services in this state. Network provides advice, training and resource support to the OOSH sector. On a national level, Network is the member organisation for New South Wales on the National Out of School Hours Services Association known as NOSHSA. Network is therefore well positioned to represent the sector through its regular contact with all the stakeholders, government, management committees, staff and families.

Network knows that OOSH services will increase their fees, that services with low utilisation are now in an extremely vulnerable position and face the prospect of closure, that there is an enormous increase in administration with which services will have to comply, that

there is still widespread confusion in the sector. At Department of Health and Family Services workshops, many questions from participants are yet to be answered. Network knows that the sector has had its fears confirmed that they will become government bookkeepers at the expense of providing child care. The operational subsidy paid to OOSH services allowed for essential core costs to be met: a centre's legal obligations could be covered without a total dependence on fees. An OOSH service has, potentially, between four to eight enrolment periods per year. So meeting up-front costs before enrolments are confirmed in each of these periods has been critical to allow many services to survive the low periods of utilisation and therefore remain viable.

Network commends the government's recognition of a need to offer a level of subsidy for services in rural, remote and some urban fringe areas. However, in its current form, it is doubtful that this disadvantaged area subsidy will provide the financial security needed to keep many services operating in the longer term.

The increase in Childcare Assistance to eligible families using OOSH services is, of course, welcome; yet OOSH services remain the poor relation amongst the various child care service types. The rebatable fee of \$1.95 is lower than for the other service types for children in the same age group.

The minister's announcement in late January of the withdrawal of Centrelink's direct involvement in administering Childcare Assistance for families has had the following devastating consequences for the OOSH sector. There has been the introduction of a new inequity for families. It is to do with rebatable fees and these sorts of issues. It has actually provided limited choice and it is making child care a financial decision rather than what is in the best interests of the child. The introduction of the administrative systems which come into play with these announcements are not suited to OOSH centre operations and to the physical constraints, as outlined in the overview.

We also note, from reports in the paper today, that there has been a slow uptake of families applying for eligibility for Childcare Assistance to Centrelink and so these systems are going to take longer to be implemented. And, while they are taking time to be implemented, it is taking staff away from their duty to the care of children. In already underresourced centres, we will have to accommodate quite complex administration and the time frame for the introduction of these systems has been quite impossible.

There is going to be and has been the deployment of more staff time to cope with the required accountability. This will lead not only to increased fees but also perhaps to cost cutting of a very lean budget. I think we had some indications of that from some of the community panel this morning. And those lean budget costs will, of course, directly impact on children. The sector feels that the role of child care staff is being refocused away from the primary role of duty of care for children attending that centre.

I would like to make some comments on the block grant vacation care situation. The withdrawal of block grant funding to 296 vacation care services in New South Wales will not fully impact on service provision until July this year. Block grants for funded vacation care services have traditionally catered for all children of school age in the community. They have focused on the needs of children, and these services provide an essential and responsive

support for the working and non-working parents in their communities, particularly noted in rural communities where this may have been the only age-appropriate activity in the locality.

Network knows that, even if some of these vacation care services receive Childcare Assistance approval, many of these services will not be in a position to administer the systems in order for families to access Childcare Assistance benefits, and that the 20-hour limit on non-work-related care will restrict access of children with unemployed parents or those of a low household income. The block grant has meant quality programs with fee structures that are affordable and accessible to all families.

There are a few points to conclude. Network's submission has emphasised the specific needs of the OOSH sector and the differences that exist between school-age care and child care services for children under five years, predominantly. It deplores the fact that little notice has been taken of commissioned literature and research that have been produced recently and over the last 10 years.

To the hearing we stress that changes will actually take place from next Monday, 27 April. Therefore, further monitoring—and a number of submissions have suggested this—of the effects of these changes to the OOSH sector and ongoing strategies to support services through the changes will be required. We stress that our evidence and other submissions that you will hear today from individual OOSH services point to the OOSH sector as being rapidly eroded by funding changes.

We ask that the Community Affairs References Committee support the OOSH sector and offer every assistance to ensure that OOSH services are recognised and viable child care services available to the community. We ask that there be continued consultation with the sector to make sure that available funds are best utilised so that they really provide for the needs of children and families using out of school hours care services, and we see that this hearing is a welcome opportunity for that consultation to take place. Finally, I will leave with the secretary some literature that perhaps might assist the members of the panel with the issues relating to school-age care and funding changes.

CHAIR—We will receive that material, Mrs Robertson. Thank you. Ms O'Kaine, do you have a submission at this stage?

Ms O'Kaine—No, we will answer the questions together, thank you.

Senator NEAL—I am particularly interested in the vacation area at the moment because there seems to be a little bit of uncertainty about what is happening with the funding there. How many vacation care places, roughly, are there in New South Wales?

Mrs Robertson—The submission actually gave a breakdown of those that are funded through the block grant—and it mentioned 14,000 places—and those that are funded directly by the Commonwealth in what is known as year-round care funding—and that was just under 3,000 places.

Senator NEAL—The reason I am curious is that we were told yesterday by Fay Lo Po', the New South Wales minister, that some funding had been provided for vacation care to

include the July holidays, but it does not seem to actually cover all the places that exist in New South Wales. I have been unable to actually work out what the situation is. Do you have any further information on that?

Mrs Robertson—Not having heard the state minister speak yesterday, I cannot directly answer your question. But I can inform you that it is our understanding that certainly the state government has made an offer to its block grant funded services to retain some proportion of what was the block grant. That may have been what the minister was referring to, but of course I do not have any op. cit.

Senator NEAL—Putting aside the July holidays—there is some uncertainty about what the funding situation will be at that time—what will happen in the vacation care area after the July holidays if there is no block grant available?

Mrs Robertson—It is my understanding that there is a document with the minister—a submission from this state—requesting approval for Childcare Assistance places, and there are application forms for that process with block funded services at the moment. As I said earlier, how many services are in a position to take that up, given the different nature of block funded services with priority of access, with the number of weeks of care offered, in comparison to what the Commonwealth requires for its programs and its objectives, is the debatable point.

Senator NEAL—Are you saying that state funding will possibly be available to them but not federal funding?

Mrs Robertson—That could be the outcome for some services if they choose to continue on that basis. As I mentioned, an offer is currently being made to revert to or change over to child care assisted places, but whether all the services can do that, can comply with the Commonwealth's objectives, is a problem. What they do with respect to the state's offer of some support is unknown.

Senator NEAL—Ms Foden was talking about the rate of assistance for non-core hours for school age children. My understanding is that as the child care payments act comes into effect a higher rate will be paid for those hours. Is that your understanding of it?

Ms Comans—My understanding is that there will potentially be a loading for additional hours at a part-time level or under that 30 hours but not for up to 50 hours or potentially 55 hours where some children may be in care for the purposes of work related care.

Senator NEAL—Have you received any material from the federal government about that which you can provide to the committee that sets that out in more detail?

Ms Comans—We would have the booklet on Childcare Assistance changes that all schemes have received. We could certainly give you access to that.

Senator NEAL—It does not seem to accord with the debate that occurred in the Senate, that is all. Going back to the Quality Childcare Association, you say in your submission that

you represent about 200 members. Are they the same members as the New South Wales Child Care Association members or are they different members?

Mrs Holmes—No, they are different; it is a different association.

Senator NEAL—So there is no overlap?

Mrs Holmes—No.

Senator NEAL—So you are—I use this in a very loose sense—competitors?

Mrs Holmes—Yes, in a very loose sense.

Senator NEAL—How is the profile of your membership different from their profile?

Mrs Holmes—There would be basically no difference at all. It is simply a matter of choice as to which association people wish to join.

Senator NEAL—You said that there had been some increases in costs in the centres that you represent. You said that in your own centre they had been \$3 a week. Is that correct?

Mrs Holmes—No, they have gone up \$3 per day.

Senator NEAL—Have you done a study of the centres you represent to ascertain what increases there have been in the centres you represent?

Mrs Holmes—I have not got that with me. Whether that has been done, I could not really say, but I could certainly find out and, if necessary, send it to you.

Senator NEAL—That would be very helpful, if you could. Would you say that the profitability of the centres that you represent has gone down over the last two years?

Mrs Holmes—Yes, definitely.

Senator NEAL—Substantially or a small amount?

Mrs Holmes—I do not have any percentage for that, but from anecdotal records that come to the association people say that they cannot afford to do this and they cannot afford to do that. With the government changes, centres are again retrenching staff or lowering hours of workers—support workers in particular. So the profitability, et cetera would go down, and the changes have made a big difference.

Senator NEAL—Has the usage of your centres in the Sydney area decreased?

Mrs Holmes—Yes. Most of the private centres in the Sydney area would be running at between 50 per cent and 70 per cent. Those are the figures that come to mind.

Senator NEAL—Before two years ago, what sort of level of usage was there?

Mrs Holmes—I think most of them would have been running at around 80 per cent to 90 per cent full.

Senator NEAL—Evidence was given to us in Melbourne that some people seem to think that people were moving from centre care to family day care. In fact, the Victorian Family Day Care Association told us that they had not seen an increase at all. Would you say that is a national trend?

Ms Comans—There is no national indication that children leaving centres are coming to family day care. There are fluctuations across the nation. We are just in the process of collating a national survey, for which we received something like a 50 per cent response rate from schemes around the country. Some schemes have got increased utilisation but they are not saying in a general sense that that is because of a flow on from closures of centres. It is perhaps for a range of other reasons—for example, change of employment trends within the town or whatever. There is no general indication that the children leaving centres are coming to family day care.

Senator NEAL—I do not want to raise any issue that you are not worrying about too much. I do not mean to frighten you but I would just like to get it on the record. Some two years ago, it was mooted that the operational subsidy would be removed. I think it was announced and the decision was altered. What do you think would be the effect on family day care if that operational subsidy were to be removed in the future?

Ms Comans—If that operational subsidy were to be removed in the future, we would see the end of family day care as we currently know it in Australia. It is certainly our position, as the national peak body, that it represents support for the only nationally consistent quality assurance mechanism in place currently in that program of family day care. We see a government funded and implemented quality improvement and assurance system in place for child care centres. We have seen the impact on quality there and the potential continuing improvement of quality there, and our argument would be that family day care is in the developing stage of professionalisation, with an improving agenda and it is increasing our level of high quality being delivered in the program. One of the reasons for that has been the continuation of operational subsidies in recognition of the coordination unit as the basic quality assurance mechanism in the program supporting those isolated workers.

Senator NEAL—Your association is very supportive of introducing accreditation in family day care. Has there been a pilot program undertaken at the moment?

Ms Comans—We have just completed a research project looking at the basic underlying values and critical elements of quality in family day care. That report has gone to government. We will have a meeting with the minister on 25 May to discuss his response to that report and to consider a further formal proposal from the council to move forward into what would be stage 2 and to lay out for the government a program to take us right through to a completed and formalised quality assurance system.

Senator NEAL—What sort of cost is involved in implementing the accreditation of family day care?

Ms Comans—That is what we hope the next project is going to tell us and the government.

Senator NEAL—You do not know yet. How much is the next project going to cost in rough terms?

Ms Comans—To government?

Senator NEAL—Yes.

Ms Comans—That submission is in process, to be absolutely honest. I had discussions late last week and that was the last research component for me to get the submission together to say what we would be asking from government in terms of how we should move. It is on my desk to be worked on.

Senator NEAL—Can the committee have access to the submission on the accreditation of family day care?

Ms Comans—My experience in the past is that I would not know how to answer that. What I have done in the past is developed a submission and given it to government and they give it consideration. We would want to talk with government, I think. To be honest, our approach as a national peak body is to go to the government, whichever side of the political arena, and say, ‘This is where we want to go. Where do you think you want to go?’ and to talk in an effective way that would bring about the best outcomes for all. That is the way we would continue to operate as a peak body. We would say, ‘This is what we believe is the best way forward for Australian children in family day care. What is your agenda looking like? How can we bring your agenda and our agenda together?’

Senator NEAL—The reason I ask—and I will be quick, I know the chair is pressuring me on time—is in terms of our recommendations. I would like to be able to incorporate something on accreditation in family day care in that. I guess the more information we have, the better. Obviously, you need to be comfortable with that, so why don’t you go away and think about it. If you can provide it to us, we would be very pleased.

Ms Comans—That is certainly what we would like to do.

Senator PAYNE—On the question of family day care and operational subsidies, page 12 of the Commonwealth’s submission to the inquiry says:

The Government still provides operational subsidies to family day care services and has no plans to remove this assistance.

Are you aware of that? If not, maybe I need to give you a copy of the Commonwealth’s submission.

Ms Comans—We are aware of that. Bev Foden, our president, met with the minister recently. One of the assurances he gave to the group—which was the National Children’s Services Forum—was that family day care should feel comfortable knowing that the

government understands the important roles of coordination units and operational subsidies and that at this point in time they have no intention of touching it.

Senator PAYNE—Thank you for that. Mrs Holmes, could I ask you a question in relation to a particular comment in your submission. In the third paragraph on page 2, you comment on what you describe as the recent media frenzy on increased fees, which primarily apply to community based services. In response to a question from Senator Neal, you said that currently, in the Sydney area, your members are experiencing about a 50 to 70 per cent usage rate. Is that because of a lack of new applications or is it because people are leaving your centres? Do you know the difference I am trying to drive at?

Mrs Holmes—I think it would be a combination of everything. It appears to be mainly from parents who can no longer afford day care because of the 50- and 20-hour thing. From my own knowledge and anecdotes that I have heard of, there were a lot of families in the Sydney area who were not working and were sending their children to child care four and five days a week. When the 20-hour thing was talked about, that dropped off a lot. I think a lot of it came about then.

Senator PAYNE—In relation to the media issue that you raise in your submission, we heard evidence yesterday in Penrith and the day before in Melbourne that private providers in particular believe that that has had a real impact on their clientele. People are coming through the door and asking, 'When are you going to raise your fees?' Is that the case with your members, and could you comment on that, please?

Mrs Holmes—Yes, it is the case with our members. We get quite a lot of phone calls from people who are saying that. From my own experience, I have had a lot of people coming through my door and asking, 'When are your fees going to go up? Are they going to go up by \$30? I cannot afford another \$30 or \$40 a week.' We have been at great pains to say to parents, 'No, that does not affect us. We never had a subsidy, it has not been removed and, consequently, it does not affect us.'

Senator PAYNE—Are you having to change your advertising or your approach to promoting your centres as a result of that?

Mrs Holmes—I think that is in the wind, yes. I think that a lot of centre owners will be doing that.

CHAIR—Do you have further questions, Senator Neal?

Senator NEAL—I am interested in this media issue where some parents are coming into your centres and asking, 'When are the fees going up?' I assume that, when they do, your centre owners tell them what the real situation is.

Mrs Holmes—Yes, we do.

Senator NEAL—Those people are not generally leaving your centres before they inquire about what the reality is, are they?

Mrs Holmes—No, that has never come to light.

CHAIR—Thank you, Senator Neal. I thank the representatives for attending this session. It has been useful and interesting.

Proceedings suspended from 12.23 p.m. to 12.56 p.m.

COLE, Ms Christene Jann, Principal Officer, Child Care, Salvation Army Social Services Department, 140 Elizabeth Street, Sydney, New South Wales 2000

HOFFMANN, Captain Rick, Manager, Salvation Army Macquarie Fields Community and Child Care Centre, c/- PO Box A435, Sydney South, New South Wales 1232

SANZ, Major Kenneth Jeffrey, Social Services Secretary, Salvation Army Australia East (NSW, Qld, ACT), PO Box A435, Sydney South, New South Wales 1232

BASTICK, Ms Susan Mary, NSW State President, Australian Family Association, PO Box Q69 QVB, Sydney, New South Wales 2000

WILKS, Mrs Jane Maree, Member, NSW State Executive, Australian Family Association, PO Box Q69 QVB, Sydney, New South Wales 2000

CHAIR—Welcome. Perhaps both of your organisations would like to make a submission identifying what you believe to be the core or important features you wish to present, and then we will go to questions.

Major Sanz—First of all, I would like to present a revised submission, and there are three copies. It is not very much different. We thought we did it rather speedily.

CHAIR—So you have had opportunity to revise it. Thank you. We will receive that and distribute it in due course.

Major Sanz—One of our concerns as the Salvation Army is that we feel that our particular role in society, particularly with social services, is to care for those who are disadvantaged, not just disabled. The problem with the current child care policy, like employment programs, is that it is actually forcing us to take a different group of people so that we might be able in some way to cross-subsidise them and look after less of those people we have been looking after. That is our real concern, that government policy is actually changing the way we deal with people. Our submission is that at a number of our child care centres this has been a real problem, mainly because of the people we deal with. They are not necessarily physically disadvantaged, because some of those people who have those other disadvantages do receive other benefits along the way. However, some of the people we deal with are from families who are of low income. If the government really wants these people to work, then somehow there needs to be some way in which their children might be cared for. Rick could extend that because he looks after our child care centre at Macquarie Fields.

Capt. Hoffmann—I do have a transcript of what I am going to say. I have got three copies.

CHAIR—We will receive that in due course.

Capt. Hoffmann—We have not had a lot of time to consult, unfortunately, but I would just like to read this to you and then you might like to ask questions.

The Salvation Army's mission involves the alleviation of human suffering, based on our belief in the intrinsic worth of human beings, who we believe are created in God's image. Australia is a blessed nation in comparison to the developing nations of the world. However, it is well documented that there is a very wide gap between those who benefit much from Australia's wealth and those who benefit little. Our children's services try to address some of this disparity, targeting families with children who face poverty. The Commonwealth government has generously assisted with operational subsidies in the past. However, since the cessation of these subsidies to long day care centres, our work has become far more difficult and children are suffering.

I manage the Salvation Army's community and child care centre at Macquarie Fields, which distributes welfare assistance to needy families and provides a high quality long day care centre, which has three years of accreditation, for children aged from birth to five. We have a free after school care program for children aged five to 12 and a vacation care program. The after school care program was going to lose the bulk of its funding on 27 April 1998, when operational subsidies will cease for everyone. Gratefully, the Commonwealth government, recognising the unique nature of our service and the high need in our suburb, have decided to give us a recurrent grant matching the operational subsidy that is going to be cut. This is guaranteed to 31 December 1999. This recognition acknowledges that there are special situations where operational subsidies are warranted. We cannot understand why this cannot be extrapolated to long day care centres which target the poor.

The following statistical data, which I gathered yesterday, paints a picture of the extent of need in Macquarie Fields and some of the effects of the cessation of operation subsidies, at least at our long day care centre. Of the 77 families who currently use our long day care centre, 59 or 76.6 per cent receive maximum Childcare Assistance. Since mid-1997, our fees have increased by about \$4 a day and average attendance has actually decreased from 48 to 44. But the number of individual children attending the centre has increased from 75 to 90 per week, which reflects a shorter weekly placement of children in our centre.

Sixty-one per cent of our families currently attend for 20 hours or less, compared with approximately 40 per cent of families who attended for 20 hours or less 12 months ago. Thirty-one per cent of our families are sole parent households. Thirty-one per cent of children have parents who are working or studying. Twenty-one per cent come from non-English speaking backgrounds and nearly eight per cent are Aboriginal children. While the increase in Childcare Assistance for families using outside school hours care may be an improvement for families in the middle income bracket, it has had no bearing on services like ours where our service users cannot afford any fees in the first place—our after school care service is free.

In *Australian Poverty Then and Now*, which has been publicised in the media, it is pointed out that, while the details of income support provisions may have changed over the years, the experience of people in poverty remain those of scraping and scrimping a dull and miserable life, feeling shut out from the rest of the world because they cannot afford anything and feeling degraded by contact with organisations which should be there to assist them.

For the Macquarie Fields child care centre, the cessation of operation subsidy—which was \$41,000 a year up until 30 June 1997—has led to increases in our fees, loss of staff hours and an increase in bad debts which we were able to carry in the past for very poor and disadvantaged families referred to us by the department of community services—children at risk. We cannot carry bad debts any more. We are aware of child care centres closing in disadvantaged areas within our region such as Claymore—I actually have a newspaper article about the council having to close that particular centre—and Waterloo. It disturbs us that poor children suffer because of a blanket government policy that fails to adequately assess the effects on the poor sector of society.

We believe that the services that we provide to poor children and families are critically important. The Salvation Army pours hundreds of thousands of dollars into this work. In Macquarie Fields alone, the Salvation Army's contribution to this work is nearly \$200,000 a year.

We call on the Commonwealth government to reinstate operational subsidies to all child care centres in socioeconomically disadvantaged areas which clearly target this population group. Thank you for this opportunity to address this inquiry.

CHAIR—Thank you, Captain Hoffmann. Do you have anything further to add Major Sanz or Ms Cole?

Ms Cole—I would add that speaking to the people who run the programs in Queensland, they are having the same sort of difficulties as Captain Hoffmann has reported. The fact, they are having to cut staff. Staff are working longer hours to try to provide the same high quality service as they have been providing and that it is affecting the families where they really need the support the most. For example, in the family day care program, the families on maximum Childcare Assistance there are about 60 per cent of their families. In the long day care program, they now have only one full-time child who can afford to attend five days a week. Families are having to make alternative arrangements for child care for their children. Most of the children are now there part time.

Major Sanz—I would simply like to sum up by saying that there is a sense in which running our child care centres is an economic benefit. But the problem is that the areas where there are economic benefits are probably state based programs such as the program at Macquarie Fields, which saves money by policing and by looking after these children. It is sometimes very dangerous for these kids to be on the streets, even to go to football. We have actually had one of our workers take a boy to football because it was too dangerous for him. What I am saying is that some of those savings may be state savings but it really is not our argument; it is an argument between your government and the state, and we are the meat in the sandwich.

CHAIR—An argument between the Commonwealth government and the state?

Major Sanz—Yes.

Ms Bastick—There is just one matter I would like to put on the record before I start. We are here representing a voluntary organisation and we have a letter, dated 9 April, giving

us a time. At 9.30 this morning we got a call asking us to come an hour earlier, which we have done by reorganising our own children and cancelling a medical appointment for one of those children. Many of the members of our organisation in this area who wanted to be here today have had to similarly reschedule their lives or not be able to be here. While we appreciate the opportunity to take part in this inquiry we would like a bit of sensitivity to the child care and other needs of the people who appear before the inquiry as to what happens in their lives.

CHAIR—Thank you for that comment, Ms Bastick. It is an example of the problems with child care. It is also an example of the problem of running an itinerary and other matters finishing earlier. We thank you for coming and note your comments. If you would like address the submission please do so.

Ms Bastick—This whole inquiry has certainly generated a lot of media interest in the area of child care and encouraged women in particular to speak out about their lives. I think a lot of the comment over the last couple of days has shown us very clearly two things: that women's choices about parenting or working are very sensitive to government policy, especially to taxation and Childcare Assistance; and how difficult, indeed wellnigh impossible, many families currently find it to make ends meet on a single income.

The enormous and social pressure for families to have two wage earners is a major problem underlying the whole child care question. What is of concern to us is that the present structure of Childcare Assistance supports and encourages the two-income family at the direct expense of the one-income family and, in certain circumstances we believe, the no-income family. The existence of child care subsidies has not encouraged an environment of choice for women, it appears merely to have propped up a system requiring women to leave their babies in the care of others while they work.

The committee's terms of reference, in particular paragraphs (c) and (e), presume that child care facilitates choice for women. This is a skewed and I think often middle-class perspective on the whole issue. Faye Lo Po, the New South Wales Minister for Women, speaking at a public rally in Penrith yesterday, is quoted in today's paper as saying that:

In areas of western Sydney, you need a wage and a quarter to subsidise the mortgage.

What real choice about working, then, do the women of western Sydney have? She described couples as being at a crossroads, having to choose between a mortgage or children. Child care subsidies may allow these women to bear children but not to be there to raise these children if that is what they want to do.

Paragraph (a)(iii) of the terms of reference asks:

What is the effect of families only being able to access child-care subsidies if others care for their children?

The effect is quite clear. It moves couples from the crossroads that Faye Lo Po described to the next crossroads, where they have to choose between caring for their own children or a home for their own children. This is an invidious choice and it is one being faced daily by many families.

Justine Reisch, in a letter to the editor of the *Sydney Morning Herald* of Tuesday this week, expressed well the frustration and the exhaustion that many mothers face every day. She writes:

I chose to have a baby 'young' at 24 and I am absolutely stuffed 90 per cent of the time.

I love my son and all I wanted to do when I had a baby was to see him grow and spend the time bringing him up to be a complete human being—like my mother did for me. Our society doesn't seem to have the time for, or put any value on, motherhood any more.

. . . if we are the celebrated 'wave of the future' then I weep for it.

What is the effect of only recognising that child care takes place outside the home by only making payments for child care if it occurs outside the home? It is to devalue motherhood and make the choice to mother increasingly out of reach for too many Australian women.

The committee is to be congratulated because its terms of reference at least reflect that child care takes place in the family. It recognises that parents, particularly mothers, are primary and important carers in Australia today and that government policy with regard to child care affects not just child care centres but also parents and that it provides or compromises the choices open to those parents and ensures or compromises the nature and quality of care received by children.

Given the choice—for this to be an effective choice means that the financial costs are not crippling—the figures suggest that the overwhelming majority of women prefer to stay at home to look after their young children. The latest research—conducted by the international survey program at the ANU Research School of Social Sciences—shows that only three per cent of Australian women believe that women should continue in full-time work when they have pre-school children. An overwhelming majority of women—78 per cent—believe that it is best for young children if their mothers were at home with them.

CHAIR—Could you provide the committee with a copy of that survey?

Ms Bastick—Yes. One of the terms of reference asks what is one of the effects of taxation on the child care system as it currently exists. One of the effects is that women are not free to make the choice that, according to this evidence, many of them would choose to do. This is substantiated. You are probably aware of the work of Audrey Van den Heuvel from the Australian Institute of Family Studies. She followed up an earlier study by the School of Research Science which showed a huge discrepancy between women's preferences and their actual participation in the work force. The answer she found for the about 25 per cent discrepancy between work force participation and desire to be at home with children was financial pressure. You had an enormous amount of women who wanted to be at home with their children but felt they couldn't afford to be.

There is also the work done in 1993 by the Institute of Family Studies that you are probably aware of—the use and choice of child care study. It showed that nearly half of Australian working mothers—these were women who were currently working mothers—would prefer to be at home with their pre-school children. Across the board, 67 per cent of working mothers were working when they would have preferred to be home with their

children because financially they felt that they had no other choice. They didn't want to, but they couldn't afford not to.

Many of these women would have had the benefit of Childcare Assistance but the effect of the subsidies only going to assist women and families caring for children when their children are placed in care outside the home means that it deprives many women of the choice to be at home caring for their children. This is not a choice that all women will want to make but it is a choice that many women want to make. There is no reason in a country like Australia today why they should be deprived of making that choice. The tax system, really until the very recent introduction of the family tax initiative, substantially ignored a woman who was at home caring for her own children.

Senator NEAL—There has been a family allowance for some time though, hasn't there?

Ms Bastick—Yes, but the family allowance applies whether women are working or not. That applies to all families based on the means test. It is not specific to whether a woman is at home with her child. The family tax initiative introduced a \$500 per family allowance to recognise the costs incurred by a woman staying at home. Five hundred dollars a year is gratefully received by those families but it is not enough to help a lot of families make a real choice and it is certainly not nearly the same amount of money that would be directed to that same family if they chose to put their child into outside child care in terms of Childcare Assistance and the child care cash rebate.

But even after the family tax initiative there is still a tax penalty on a family who chooses to be a single income family, which means a family who chooses to have a parent at home caring for children. We have done some figures. It is going to be different in every case depending on the composition of the families. But if you are looking at a two-child family on a family income of \$45,000, a single income family will pay between about \$40 and \$93 a fortnight more tax than the equivalent two-income family. It is even after the family tax initiative, which recognises child care costs at home and which recognises the cost of raising children.

The Australian Catholic Social Welfare Commission has done work in this area and they have made it clear that if families come to the choice where they need extra income, the taxation pressures are there that guide many into making the choice of having two income families rather than one. This compromises choice for women.

What we are saying today to the committee is that it is time to think outside the square. This inquiry has presumed that the structure of the present child care system is beneficial and sustainable. There are questions about this. It does not facilitate choice for women. There are questions about whether it facilitates the best quality care for children. Jane Wilks will address this question briefly in a minute.

There is also a major question that we have failed to address that has been looked at in Sweden but certainly not in Australia about whether high quality substitute care for children of the kind that we are seeking in the current system is ultimately affordable by the Australian people through its government.

Patricia Morgan, looking at the situation in Sweden, has shown that the average cost of a child care place in Sweden is two-thirds of the average wage. This is simply unsustainable in terms of providing high quality care. Interestingly, in Sweden baby care does not have a high cost because the majority experience in Sweden is that 70 per cent of Swedish women and 30 per cent of Swedish men stay at home to provide full-time care for their children until the age of 18 months because that is facilitated by the Swedish government. The Australian government, I think, currently funds something like 60 per cent of all child care expenditure. This is an enormous amount of money and it is money that is not going to all women who have responsibility for care of children.

What I am talking about today is not a radical suggestion. The National Council for the International Year of the Family suggested that what we need is a universal allowance for all families caring for children and that we should let them make the choice about caring for children themselves or caring for children in child care centres. Our organisation conducted a petition in the International Year of the Family on a very similar theme. We presented to parliament the biggest petition presented to parliament this decade on this matter. A lot of families are saying, 'Look, child care is important, but we are child carers as parents and we need to be facilitated in this role. We need to be enabled in this role.' A lot of families at the moment feel that they are not.

CHAIR—Thank you, Ms Bastick. Mrs Wilks?

Mrs Wilks—Thank you. As Susan has just explained, parents who chose to care for their own children in their own home incur severe taxation penalties as a result of that choice, yet irrefutable evidence from experts exists which shows that such a choice is the very best care a child can ever receive. I would like to tender to this inquiry a book by Dr Peter Cook—

Senator NEAL—Are you seriously saying that on every occasion children are better cared for at home without exception?

Mrs Wilks—Senator Neal, I would like to finish my submission. We can take questions after that, thank you.

Senator NEAL—What about children who are killed by their parents?

CHAIR—Order! We might allow Mrs Wilks to finish her submission and then we will go to questions.

Mrs Wilks—Thank you. I will resume. Irrefutable evidence from experts exists which shows that such a choice is the very best care a child can ever receive. I would like to tender to this inquiry a book by Dr Peter Cook entitled *Early Child Care—Infants and Nations at Risk*, which summarises much of this evidence. It is evidence that demands more time and attention than is possible at this hearing today. But let me briefly mention a sample of this research.

CHAIR—Mrs Wilks, Dr Cook has already provided that book to the committee.

Mrs Wilks—Thank you very much. Responding anonymously to a survey of members of the World Association for Infant Psychiatry and Allied Disciplines, most of the 450 professionals from 56 countries believe that ideally, from the infants' point of view, it is very important for infants to have their mothers available to them through most of each 24 hours for the first year of life and to be cared for principally by their mothers until over two years of age. Only six per cent considered full day attendance is the best arrangement by the age of 2½ years. In addition to their psychological wellbeing, the research shows that the risks of infectious diseases are established because group care spreads illness and it is harder for working mothers to keep unwell children at home.

Thirteen years ago I walked away from a comfortable middle-management position and, unfashionably at the time, chose to be a full-time mother. I have tertiary qualifications. Not for a minute do I regret that decision. Not for a minute do I wish that my children had been put in child care. The opportunity to form and educate my children and the opportunity they had to spend their young lives in a peaceful, stress free and relaxed environment has set them up for life and has left me feeling that there is nothing more in life I could possibly give them.

Children and backyards are frequently mentioned today in a derogatory fashion. Let me say that, for my children, a backyard is a place where dreams come true and adventures are had. It is their own special place in a world that has precious few places for them. It is where they can be masters of their own destiny without adult interference and the structured activities that exist beyond. It is where they can dare to be different and creative, free of the intrusive observation of adults. It is where they discover themselves and their own talents. Please do not take the backyards from our children. Recognise that children cared for at home are receiving excellent preparation for life and do not penalise parents who want this option for their children. Thank you.

CHAIR—Thank you, Mrs Wilks. We will now go to questions—Senator Neal followed by Senator Payne.

Senator NEAL—I understand and respect that certain parents choose for one of the members of the family to stay at home, and that is fine. But I think that to take that to its extreme and say that, in all circumstances, one, to be cared for at home is the absolute best option for any child and, second, to even go further—which you seem to be doing—by saying that child care is harmful, is really taking the argument to such an extent that it damages your own view. Do you really believe that it is always best for the child to be at home?

Mrs Wilks—It is not my opinion; it is the opinion of—

Senator NEAL—I am asking for your opinion at the moment.

Mrs Wilks—I believe that my opinion matters little.

Senator NEAL—It does to us; that is why you are here.

Mrs Wilks—It does? Yes, I do. I have seven children and they have all been cared for at home, and I am only struck at the moment with the little 12-month-old baby that I have. Everyone in the environment in the family is so sensitive to his needs, to his very early attempts at communication and everyone knows exactly what is being said and how to meet his needs entirely. I often say, ‘What would happen to him if he was in a child care centre? Would people understand him? Would he be cared for? Would he get the response and the love?’ Children just do not need care; they need love. That is what nurtures them. If you want my own opinion, yes, I believe that children are better off being loved than cared for.

Senator NEAL—I am sure you are a very good mother and that your children are very well cared for, but what I am saying is: do you really believe that, in every situation, a child is better off at home?

Mrs Wilks—I suppose that is not particularly relevant to the terms of reference of the inquiry today. What we are saying is that there should be a choice for those parents who wish to have that form of care and, at this point in time, the way that child care is subsidised in Australia, that choice does not exist.

Senator NEAL—Do you accept that in some circumstances it is preferable for the children to be cared for by people other than their parents?

Mrs Wilks—I do not believe that is relevant to the terms of the inquiry.

Senator NEAL—So you will not answer the question?

Mrs Wilks—I will, but I am sure it is quite irrelevant.

CHAIR—No, Mrs Wilks, it is not irrelevant. It is a critical issue that you have introduced and are being asked questions on.

Mrs Wilks—I refuse to answer a hypothetical situation. Put forward to me the particular circumstances. You are asking me whether any woman in Australia at this point in time should put her children in child care. I think it is a most ridiculous question to ask me.

Senator NEAL—No, I am not asking that. I will ask it again if that is what you think I have asked. I said: do you accept that, in some circumstances, it would be preferable for a child to be cared for in child care—

Mrs Wilks—If you tell me what those circumstances are, I will comment upon them.

Senator NEAL—Rather than by their own parents?

Mrs Wilks—You tell me what they might be and then—

Senator NEAL—I will just give you an example.

Mrs Wilks—I do not know of any.

Senator NEAL—There are a number of children in Australia who are killed each year by their parents, and you would understand and accept that. I hate to use extreme examples because I think it is always misleading.

Mrs Wilks—Yes, I think it is.

Senator NEAL—But, since you require me to give an example, do you believe that in those particular circumstances it was best for those children to be cared for by their parents?

Mrs Wilks—I will not accept that the fact that they murdered their children was necessarily caused by the child care they chose. I think there would have been a lot more complex reasons for why they murdered their children. I think it is a very simplistic argument if you are suggesting that somehow if the children are cared for at the home, the parents will be inclined to murder them.

Senator NEAL—I am not suggesting that. All I am saying is that not all parents are well equipped or choose or want to carry out that role. Many do, and I accept that and I do not have any difficulty with that. But I think to take it to the extent of saying that anyone who chooses to put their child in child care is doing something detrimental to their child or that in all circumstances it is better for them to be cared for at home is taking it to an extent which is a little dangerous. We need to cater for that diversity where, in some circumstances, it is better for children to be cared for by child care—not necessarily full time but partially—and sometimes it is very advantageous for the development of the child. I suppose I am not giving evidence, so I probably should not persist.

Mrs Wilks—Yes, I think you should remind yourself of that.

Ms Bastick—Perhaps I could make a comment. We are talking about functioning families where the parents have a desire to care for their own children. We are not trying to prescribe the child care experience or the preschool experience of every child in Australia. What we are trying to say is that there are many families and many women who want to be able to care for their own children and do not feel that they currently can.

We are also pointing to the growing body of evidence that does raise concerns about whether child care, as we currently have it in Australia, is the best experience for children. If you have Doctor Cook's book and have had a chance to look at it, you would see he makes a very valid point that we tend to talk about child care in Australia today, whereas any of us who have experience of children know that under five you are talking about babies, you are talking about toddlers and you are talking about children. What is appropriate for a three-year-old is not appropriate for a three-week-old. These are the sorts of distinctions that we have to bear in mind. We have to be sensitive to the best needs of children and think outside the square. We have to really say, 'Put the child back into child care.'

Senator NEAL—I must ask you about one of the statements you made earlier on. You said that assistance was being given to two-income families at the direct expense of one-income and, possibly, no-income families. Would you explain that please?

Ms Bastick—There is a limited pot of money and choices have to be made about where that pot of money goes. Say the government says, ‘We have \$1.2 billion to spend this year on child care,’ and there are one million children in Australia and half a million children are in child care and half a million children are being cared for at home. If the government says, ‘We will give’—I am just picking figures out of the air—‘a billion dollars to children who are in child care centres through subsidies through child care fees, including the child care cash rebate, and we will give \$0.2 billion to children who have been cared for at home through tax initiatives and things like that,’ clearly money is being directed at two-income families, where there are two workers and where child care outside the family is needed, at the expense of money that could have gone to single-income families.

When you are looking at two-, one- and no-income families, you see that the work of Professor Gregory from the ANU is quite compelling in this regard. He has looked at what has happened to jobs over the last 10 to 15 years in Australia. A lot of his work suggests that job growth for women has been in part-time work taken up by women in family units where there is already one full-time worker, so you have 1½-income units; that, where you have family units where the breadwinner has lost a full-time job, the woman—the mother—in that family unit is not taking up a job; and that the growth in female employment is not such that every family unit has at least one income coming into it—often you have 1½- or two-income units and you have no-income units.

Senator NEAL—I know that is a very common model.

Ms Bastick—Yes. We have to look at what are the social consequences of a system that facilitates and supports two-income families and facilitates and supports a social drive that says two-income families are a norm and a good if what is happening—and I am not saying there is cause and effect but I think we have to think about this as a community—is that we have a situation where we have a number of no-income families growing, because that is a terrible social outcome.

Senator NEAL—But isn’t there a fiscal set-off with two-income families? For all the funding that is provided directly for work-based child care, the government also increases its revenue from PAYE taxation. Because of the contribution by the second parent who is able to work, the pool of money available from general revenue is not reduced by payment of child care subsidies, so how is the non-double income earning family losing out if consolidated revenue is not reduced by child care subsidies?

Ms Bastick—I would like to make two comments about that. The first is: does it increase the pool of jobs available? If you are looking at extra jobs and therefore extra taxes and extra income being generated, that is one point. But if you are looking at the existing jobs being redistributed in a particular way, which means the existing tax that would be paid by the people working being redistributed in a particular way, I do not think you have general fiscal growth. You have just got redistribution within the pool.

If you have two jobs and two lots of tax being paid and the two jobs go to family A and none go to family B, the fact that family A has two taxpayers does not mean that the general tax pool has increased. It just means they have gone in a particular way. You have to have a third job created and a third taxpayer created for that fiscal pool to be increased.

Senator NEAL—But the only way you could solve that problem as a policy would be to say that only one job is allowed per family. So if one person in your family has got a job, the it is, 'Sorry. Tough.' You cannot really do that.

Ms Bastick—Just because you cannot prescribe how many people in a family work does not mean that we should not be sensitive to some of the entirely unintended effects of subsidising and supporting a system that encourages two-income families.

Senator NEAL—My original question was: how do one-income families lose out? Putting aside that we cannot prescribe that one family is allowed only one job—

Ms Bastick—Tax is an example because the tax system is structured in a way that looks at the income earner. You pay more tax to generate the same income as a single income family than you would as a two-income family.

Senator NEAL—Yes, I understand that. I was going to your original point that one-income families are losing out. I was saying that, if two-income families pay more tax, then they essentially pay for their own child care subsidy and one-income families do not actually lose out because the pool is the same.

Ms Bastick—The first point I was trying to make, which perhaps I made badly, is that I do not know there is more tax being paid; it is just that it is being paid by different people. The second point is I do not know if you are aware of the work that Barry Maley from the Centre for Independent Studies has done on this. I would be happy to send you his paper that deals with that. He raises big questions. He looks at other issues such as what happens in the community and what happens with children and asks whether there is actually a net benefit to the community.

Senator PAYNE—If I could start by directing a question to the Salvation Army. I am not sure who is the most appropriate person to answer it. In your submission you have raised a number of issues about disadvantaged families and disadvantaged communities. The government's policy in relation to this area looks at disadvantage, remoteness, regionality and things like that. I assume from your submission that you are advocating that in terms of assessing disadvantage we should also be focusing on metropolitan areas. You have said that poverty, high unemployment, high levels of public housing, large numbers of sole parent families, domestic violence, child abuse, alcohol and other drug and gambling addictions would be indicators that should be considered in making that assessment and we should move the disadvantage question into the metro area as well.

Major Sanz—All of these things bring stress on the family.

Senator PAYNE—Sure. In terms of how your centre operates—I missed your evidence—but I think Captain Hoffmann indicated that there had been a special grant given to the centre until 31 December 1999.

Capt. Hoffmann—I have got a copy of the letter from the Commonwealth here.

Senator PAYNE—Does that have a program reference in it?

Capt. Hoffmann—It will be attached to the transcript.

Senator PAYNE—Fine. So that was an extension of a grant previously received by you as an operational subsidy?

Capt. Hoffmann—That is correct. The letter actually reiterates the fact that operational subsidies will cease on 27 April and says, ‘However, it has been recognised that for a small group of services currently receiving outside school hours funding it would not be practical to implement these arrangements.’ So there has been a recognition of the fact that in certain centres, including an urban centre at Macquarie Fields in a high need area, that we should continue to receive this funding.

Senator PAYNE—Could you tell me how many children you care for in your facility at Macquarie Fields and the break down of the type of care?

Capt. Hoffmann—As of yesterday we have 90 children enrolled in our long day care centre. That is children from babies up to five years of age. I cannot give you the exact break-up, but we have got eight babies in care. I should point out that we charge a daily rate rather than an hourly rate so it is not unusual for parents to leave their children for only seven hours rather than the full 10 hours. I think that brings into consideration some of the points. We are not talking about 24-hour child care here; we are talking about an average of three days a week, seven hours a day for the majority of our clients.

We also have the after school care program, which has children aged between five and 12. The majority of these children are self-referred—in other words, they just come in off the streets. We do not charge a fee but we do give them a registration form to take home to their parents. It sometimes takes a long time before we get that form back. We have problems in the community because some parents are illiterate. We have parents who are mildly intellectually handicapped. I know of one sole parent who is mildly intellectually handicapped and his four-year-old daughter comes to our child care centre. Child care is critical for that particular family because that girl would have very little opportunity to progress in her development and to have the head start she needs when she gets to primary school. She is quite an intelligent young girl but her dad has an intellectual disability so he is struggling.

Going back to after school care—sorry, I was sidetracked—we have about 50 children a day who attend that. Our attendances were down towards the end of last year because there was a lot of bad publicity about the funding cuts impending. Parents were saying, ‘It is going to close down, so why bother encouraging our children to go?’ However, that has picked up and we are in the 50s again.

I did a survey recently as part of my university studies. I am doing a masters degree in social administration and I surveyed some of the parents who use after school care and quite a number of them said that, if that service ever closed, it would be disastrous for them. Some of them have large families. They are sole parents with a lot of children and they would find they would not be able to cope. They know their children are safe at the centre. Because there are gangs in Macquarie Fields, younger children get bashed up so there is that side of it.

Senator PAYNE—Captain Hoffmann, I assume some of your care—whether it is long day care, after school hours care or occasional care for that matter—operates as a respite in some cases for parents who need that. How important do you think it is in your community?

Capt. Hoffmann—It is extremely important. It has been recognised by the state Department of Community Services, which is in liaison with us quite regularly and refers children to our child care, after school care program and vacation care. I have not mentioned vacation care. It is a different issue but it is an important one and I might just mention that. Vacation care is funded by the state government. However, we have received a letter from Minister Faye Lo Po saying that our funding will be cut by an undetermined amount from 1 July 1998. They say that is directly related to the fact that Commonwealth block grants to the states for children services have been cut. So we anticipate our funding for our vacation care program will be cut by 50 per cent.

Senator PAYNE—The minister advised the committee yesterday that she had received some assurances from the federal minister in relation to that period until after July, so that might assist you in that regard. Although, we were trying to seek further clarification on that earlier this morning.

Capt. Hoffmann—We have about 50 children a day in vacation care for the six weeks of the year when we operate that service.

Senator PAYNE—My final question on this issue is in respect of the respite care and the sorts of care you provide to highly stressed families in a very disadvantaged community. Do you think it contributes to the safety and wellbeing of the community?

Capt. Hoffmann—Absolutely. I am 100 per cent convinced of that.

Senator PAYNE—If I could just direct one question to the Australian Family Association. Ms Bastick, in your recommendations at the bottom of page 7 of your submission, you say that you support the introduction of a home makers allowance to support Australians engaged in full-time parenting and the introduction of universal child care payment to all families with the care of children. Have you done any modelling or any assessment of the budgetary impact of those measures?

Ms Bastick—We are a voluntary organisation and we have done what is in our capacity to do. I apologise that I do not have up-to-date figures here with me today. The universal child care allowance was actually a suggestion from the National Council for the International Year of the Family. I think there was something in their report but I could dig that up and send it to you.

Capt. Hoffmann—We did some rough sums on Monday or Tuesday, and the payment of the parenting allowance to three million families of \$31 per week would total \$4.68 billion. That is not very scientific; they are just ballpark figures. It is a huge amount.

Senator PAYNE—Could we have a look at what you have done?

Ms Bastick—We have done some figures. I could send them to you. I have not got them because they have set off some things, but I could certainly get you copies of the latest figures.

CHAIR—I can tell you there is not \$5 million around in any government.

Senator PAYNE—In relation to the evidence that you have provided and the statements in your submission that the current structure of child care subsidies encourages families to make the choice for the principal carer to enter the paid work force, do you have any recent information on that? For example, do you have information on what you believe to be the experience in the last couple of years under the child care system as it is currently administered or anything like that?

Ms Bastick—Only the evidence that we have shown in surveys, such as the work of Audrey Van den Heuval and the Australian Institute of Family Studies' child care use survey. These are large surveys which looked at what women would like to do and what they are actually doing. I do not think it is possible to say, 'These are the factors.' I think these are complex decisions—

Senator PAYNE—They certainly are.

Ms Bastick—Taxation and child care are factors that play a part.

Senator NEAL—There was also research done by Gillian Beer which says exactly the opposite. It says that the interaction of child care, social security and taxation discourages particular groups of women; I think it was up to about \$45,000 or something. Have you seen that?

Ms Bastick—I have looked briefly at that. I have not had a chance to really study it, but I think it shows the complexity in different income bands, different educational experiences and, often, different attitudes of husbands. We have found, just anecdotally in our membership, that the choice to have a parent at home—and it is sometimes the husband but most normally it is the mother—needs to be actively supported by the husband, who needs to see worth, dignity and value in that work; otherwise that choice does not happen. It is quite a complex thing, but these are factors that come into play.

CHAIR—Thank you, Ms Bastick. I just have a couple of questions for the Salvation Army. Firstly, in respect of your submission, the second dot point refers to a free after school drop-in centre—outside school hours care—which will lose \$28,000. Do all of your centres have that free, after hours component?

Ms Cole—Only Macquarie Fields.

CHAIR—Okay. Secondly, you have essentially argued for the operational subsidy to be heavily targeted at low income and disadvantaged areas according to the criteria in your submission. Do you have a view on whether the operational subsidy should be maintained for areas outside low income and disadvantaged areas?

Major Sanz—No, I do not think we do have a view on it, because we have not looked at it.

Captain Hoffmann—It is not our target group, in a sense.

Senator NEAL—You said that there should be operational subsidies aimed at disadvantaged areas. How would you define disadvantaged centres?

Captain Hoffmann—The indicators that we have already mentioned in the submission would be a good start. I could speak about my suburb because, just looking at Australian Bureau of Statistics figures, looking at Social Security information, Department of Housing data or whatever indicator you use to look at that particular suburb, it is very difficult to argue that it is not a disadvantaged area in comparison with other suburbs in Australia.

CHAIR—We have your updated submission. The final paragraph on page 1 identifies the criteria.

Senator NEAL—But do you say: if 10 per cent of the parents using it are low income the centre gets it or if it is a centre located in an area which has demographics that are low income—

Captain Hoffmann—I think it has to be a combination of both. That is my personal opinion; I do not know if I speak on behalf of the Salvation Army. As I say, 76 per cent of our clients have maximum subsidy, so they have had to go through hurdles. They have had to be assessed as being disadvantaged to get that. I would say that the government would have to make a decision about what percentage of usage—and I would say 70 per cent would be a pretty high—

Senator NEAL—You would say almost certainly 70 per cent must be disadvantaged, but I suppose the question is where is the dividing line.

Capt. Hoffmann—Sure.

Senator NEAL—Obviously it is a very hard question to answer. If you wanted to think about that more and had some more ideas, we would be very grateful to receive them. It is an area I am particularly interested in.

CHAIR—I thank the representatives of the Salvation Army and the Australian Family Association. It has been an interesting discussion. We will adjourn briefly to have a private meeting of the committee.

[1.54 p.m.]

EVANS, Ms Gaye Alison, Belmont Community Child Care Centre, 5A Glover Street, Belmont, New South Wales

HENDERSON, Mrs Vivienne Jean, Representative, Central Coast OOSH Forum, C/-Kariong Neighbourhood Centre, 10 Langford Drive, Kariong, New South Wales

EDMONDS, Mrs Dianne Beverley, Havenview Kindy, 12 Havenview Road, Terrigal, New South Wales

FERRY, Ms Jan Elizabeth, Chairperson, Hunter Children's Services Forum, Inc., P O Box 186, New Lambton, New South Wales 2305

ELLERINGTON, Miss Gai, Vice-Chairperson, Hunter Children's Services Forum, Inc., P O Box 186, New Lambton, New South Wales 2305

GRANTHAM, Ms Dianne Ivy, Coordinator, Kurri Kurri Out of School Hours Before and After School Care and Vacation Care, 251 Lang Street, Kurri Kurri, New South Wales 2327

GRUSHKA, Mr Benjamin, Manager, Kurri Kurri Community Centre Inc., 251 Lang Street, Kurri Kurri, New South Wales 2327

JONES, Ms Joan, Manager, Wyoming Community Centre Inc., 147 Maidens Brush Road, Wyoming, New South Wales 2250

CHAIR—I welcome representatives from the Hunter Children's Services Forum and the Central Coast Out of School Hours Forum, plus various providers who have agreed to participate in this session. The committee has before it submissions from your various organisations. I now invite you to make a short opening statement and, at the conclusion of your remarks, I will invite members of the committee to put questions to you. I should put on the record that Senator Payne has had to leave to catch a plane to go to North Queensland to do a similar inquiry in another area tomorrow.

Ms Ferry—I would like to give apologies for three members who were to attend this afternoon. They were unable to come at the last minute. We would also like to thank you for the opportunity to talk about the child care situation in the Hunter area. I would like to start by explaining what the Hunter Children's Services Forum does. We are a voluntary organisation based in Newcastle in the Hunter area. We have representatives from a wide range of children's services on that committee and we provide two things: firstly, in-service and conferences for children's services professionals in the area; and, secondly, we now have an advocacy role in the Newcastle area where we speak on behalf of children, families and children's services in our area with tertiary institutions, with the councils and things like that.

We have brought with us today case studies from our area—people who have spoken to our organisation about the impact that the funding changes have had on them—and we also bring issues of affordability and quality that we are hearing about and the impact that that is having on children, families and services in our area.

Ms Jones—We auspice three after school care centres, a before school care centre and a vacation care centre at Wyoming. We currently have almost 200 families involved in the service, and that is approximately 350 children. Due to the increase in fees caused by the funding cuts, nearly a third of these families have had to leave the service already and we expect more to leave when school returns next week. Some parents have ceased their employment while others have been able to arrange a reduction in hours. In all cases it has been the woman who has had to cease or reduce her employment. Alternative child care arrangements which have been forced on parents include leaving children with neighbours and friends or the children going home alone to unsupervised houses. There has been an increase in reports of unregulated carers minding children in their homes. The new carers for these children include young people, teenagers, elderly neighbours and friends who, from what we can ascertain, have little or no experience in child care, including child development, first aid or the ability to appropriately assess children's needs. There is also an increased concern regarding child protection.

The new system appears to have been introduced with little forethought and an impossible time frame. Even under the old funding system, our centre has never been able to squeeze much time for administration out of the budget. Under the new system it will be impossible for centres to allocate the time and resources required to administer the system efficiently. Originally, Centrelink was to do part of the administration, but they seem to have realised the extent of the resources required and handed it back to the individual centres. Staff employed by OOSH services are child care workers; they are not bookkeepers. There is no way centres can allocate the time required for administration and still remain financially viable.

Traditionally, governments have taken an active role in financially assisting industries that provide a service to the community. This has allowed these services to remain affordable to most people. Now that this protection has been removed, services have been forced to increase fees dramatically to remain operational. Although parents on low incomes have been catered for, average middle income families will be forced to absorb the full costs of these increases with little or no assistance and safe, professional, affordable child care is no longer the right of many families.

Another major concern for our service is the fact that parents who have children in two different types of care, for example preschool and after school care, can only obtain Childcare Assistance at one child rate for each child. This is a ridiculous and unfair situation which has caused immense confusion. Even Centrelink staff have been giving parents incorrect information. If parents have more than one child in care, no matter what type of care, they should be eligible for the two or more child percentage.

Safe transport of our children is another area which has caused major concerns. The government makes no allocation towards reliable and safe transport to and from schools for the children and this is causing great concern to our service as we investigate ways and

means of keeping our centres operational. By combining our three centres into one we may have been able to remain viable but it is not possible to obtain transport for the children to the centres without access to a reliable minibus.

Another concern is the safety of the children on the buses. Buses are overcrowded and children are unrestrained. If our centre takes the children on an outing in a bus we are required to observe a one to 10 ratio for staff and children; however, up to 80 children, some as young as five years old, have crowded into buses with only a driver for supervision. This situation jeopardises the quality of care we are able to provide while transporting children to our centres. Also, many children are not entitled to use their bus passes when travelling to an OOSH centre and this results in further cost to the parents.

All in all the child care cuts have caused much stress and sadness at our centres. Many children who have been with us for years are now being moved to alternative and sometimes quite inappropriate child care situations. There have been many tears from children, parents and staff. Has the government considered the trauma and stress involved when children are removed from a long-term, caring child care centre into a new and strange situation? To be honest, I do not think the children have been considered at all in this new system. It seems to be a purely economic decision that has been implemented without proper consultation and investigation. These children are our future and they all deserve the right to safe, high-quality and affordable child care.

Mrs Henderson—I would like to thank the committee for allowing me to give evidence on behalf of the OOSH forum. The OOSH forum, or out of school hours care, is a very different type of caring to long day care. We have school age children between five and 12 and their needs are very different. We have found, with the loss of operational subsidies, that in reality now centres are closing or are about to close on the Central Coast. We have all had to put our fees up substantially. Many parents have already withdrawn children from the services. They are saying that child care is becoming too expensive. Women are leaving the work force and women are also saying to us that it is no longer worthwhile working, especially when they already have one child in long day care.

Children will be left home alone. Women do not often tell you that because they do not want to let you know, as a service provider, that their's are going to be latchkey children. They say, 'I will get in someone else to look after the children,' when in reality some are saying that the children are old enough to be on their own. We have no year 6 children any more, they stay at home. Now we have parents saying that year 4 children are going home because the parents cannot afford to pay the cost of the fees.

We lack infrastructure as an OOSH service—all OOSH services. We do not have the management skills or the admin skills that are needed. The people who work in these services are child care workers; they are not trained. Now, with the new government fee cutting, there is a lot more paperwork to be done and it would have to be absorbed by our centre as a sponsor. We do not have the fees or the financial viability to put the admin work into it. The paperwork is now threefold: we have paperwork for before school, paperwork for after school and paperwork for vacation care.

We do not know how it is going to impact on the community because it does not come into effect until next week. That is when we have to put all this paperwork and fees in. The time frame is impossible. I may not know a lot of the answers; I am just here on behalf of the forum to say we need an operational subsidy to operate. If we take the operational subsidy away we cannot operate.

CHAIR—Thank you.

Mrs Edmonds—I would like to thank the committee for the chance to contribute to this inquiry. I am a private child care centre provider. I run a 28-place centre that operates from 8 a.m. to 6 p.m. 48 weeks per year with an age group of two to five years. I would like to point out some issues concerning the child care sector. One very important point that has already been stated, but needs to be stated again, is that approximately 70 per cent of centre based care is provided by the private sector. So when we talk about recent significant fee rises we are usually only talking about the community sector. I did a quick ring around yesterday afternoon to 12 private child care centres on the Central Coast to find out what their fees were last year and what they are this year. The average fee rise was \$1.18 per day. I have photocopies of that.

CHAIR—We will receive that in due course, Mrs Edmonds.

Mrs Edmonds—The private sector has never received operational subsidies. Private and community based centres provide the same level of quality—both have been accredited by the NCAC and both have achieved identical accreditation rates. Private and community based centres must meet the same state licensing and operational regulations. Any fee rises in the private sector are due to wage increases, changes to state regulations and increases in superannuation and work cover.

Due to a recent drop in demand, jobs have been lost and owners are working longer and longer hours. On a normal day now I work from 8 a.m. to 6 p.m. and usually four hours on the weekend. That is a 54-hour week. I am the owner of the centre, the office administrator, the cook and the cleaner. I am willing to work these hours as I have mortgaged my home to build this centre and if the centre fails I will lose my home.

As you have heard several times today, along with the community based sector the private sector is suffering from a drop in numbers. We are trying to find reasons why this decrease has happened as our fees have not gone up significantly. The only reason that I can see is that there is a misconception by the public that all child care is unaffordable. This is demonstrated by the fact that in early July 1997 when operational subsidies were cut from community based care I had many worried parents asking me if my fees were about to rise. One mother thought that removal of the operational subsidy meant that she would lose her Childcare Assistance. Many parents do not understand that there is a difference between community based and private care. Some people approached me around July last year and asked how I was coping with the operational subsidy cuts. The strong media campaign about cuts to child care has caused huge problems for the private child care sector, where dwindling numbers are resulting in financial insecurity and massive loss of jobs. Couple this with the new 20-hour limit, which starts next week, and you have a recipe for financial disaster for the private child care industry.

CHAIR—Thank you.

Ms Evans—Thank you for the opportunity to speak today. I am here on behalf of Belmont Community Child Care Centre and I am going to talk about our centre specifically. It is almost a year since the operational subsidy has gone and, like many centres, we are now starting to experience difficulties balancing affordability and quality care. In July 1997 our centre lost around \$47,000 in subsidy. No time is a good time to lose this amount of money, but we also had the complexities of expansion. In January we opened an additional room to cater for the needs of our community and provide more places for under-threes. As most of you would know, expansion can be both stressful and costly. Most of our equipment was purchased from our provisions, depleting them drastically. This has followed through to the cash flow we are seeing at the moment. On top of this there were orientations of new staff and families along with lobbying the government about the operational subsidy.

What we have seen in the past months is parents dropping days or vacating our service. This has also had repercussions for our administration and time management as it also affects our program in regards to getting to know our families. At present, the centre is catering for about 120 families per week. The amount of bad debts is also increasing with parents leaving our service without warning or payment. There has also been an increase in oncosts such as land rates, insurance and utilities. Staff have also been under pressure, particularly in the Hunter where many centres have had to reduce staff or qualifications as their numbers dwindle. With respect to our centre, as trained staff leave, we will need to make the decisions on employing untrained staff.

The roles of the committee and the director have also been affected when unable to give staff clear expectations on how our budget will affect their positions while still supporting their professionalism in the centre. In the past, the centre has been an advocacy for training and development of our staff. Many of the staff have trained part-time and were upgraded by the committee to trained positions. This can no longer occur, so staff move on which, in turn, leaves inconsistency in the care for children. It is not easy to cut staff not only for ethical reasons but, most importantly, for the care, safety and education of our children. At present, our centre is slightly above minimum standards in our under-three section. Yes, we do have three staff to 10 babies for part of the day, but can you imagine coping with 10 babies with two staff with all this entails—and some centres do?

Over the past 9 years, our centre has put systems in place that support quality. We hear about quality all the time. We are a three-year accredited centre. We include hat, sunscreen and equipment levies in our fees. We subsidise our excursions. We provide information evenings free of charge. Christmas gifts are purchased from our fundraising. We provide staff with time to program effectively, and reward them with extra time to complete research and parent education and concerns. Parents are also provided with comprehensive reports on how their children are developing, and interviews are always arranged.

We also took up the option of the business plan which the federal government provided where our only options were to cut staff, cut our meals or look at marketing strategies. In our submission we stated that we do not have the time or the experience to look at marketing strategies. Next week we will have to make some hard decisions in regards to our budget. There will be lots of issues, including ethics, to balance about how to keep our

centre full. Our staff work tirelessly for our centre. They give many hours for free. In our submission we stated that our staff even painted a lot of our rooms in our centre free of charge. They do the gardening and room designs. In our budget, we will be looking at fee increases once again. We have already increased our fees to \$34. I know a lot of centres are dearer than that, but we try to keep our fees down. This is how the loss of the operational subsidy is affecting us at the moment.

CHAIR—Thank you, Ms Evans.

Mr Grushka—Thank you for the opportunity to discuss the situation at Kurri Kurri with you. If I might, I would like to talk a little bit about the community in the first instance and then ask Dianne Grantham to talk about the service in greater detail.

Our community is historically—I guess, in the last 30 or 40 years—a fairly impoverished community. Senator Neal, you spoke about the issues that constitute disadvantage, and I might go through some of those in our case. Three years ago, the department came to us identifying the issues which they saw as constituting the significant disadvantage issues. They included, in the main, the loss of the industrial base, which was, traditionally, mining in the area and the loss of employment. For the broad range of the community, that constituted a very large unemployment rate of about 15 per cent and 45 to 50 per cent for people under 25. This, in a community which is fairly parochial, became a very important issue because, traditionally, the people were very keen to look after their own, and we are very proud of that fact.

In recognition by many government departments that this community was impoverished, a lot of services did come into the area in the mid to late 1980s. Part of the issue for the community to embrace this was to actually take on a leap of faith that these new service providers were trustworthy and that we could put people, whether they were in aged care or younger people or people looking for work, into these programs. To that end, the service providers worked very hard in establishing their credentials with the community and ensuring that people understood that they were not there as impostors but there to help them. In this particular program, it has taken three years for people to make that leap of faith to be able to put children into a child care situation both in the before and after school care program and the vacation care program.

It seems to us that the most important thing that they want to know is that the operational subsidy will be there and the centre will be there. They are not so much worried about whether they will get the money. Because a lot of the people are casual workers and have to travel, they do not want the hassle of any more paperwork or any more administration. What they want to know is that the operational subsidy is there and that child care, when they need to go to work, will be there.

Ms Grantham—I think there is a misconception that all families using OOSH are two-parent families. We have a lot of grandparents who actually put their grandchildren in care. We have guardians who are doing DOCS a service by taking this role. We also have single fathers as well as single mothers. I know of a single father who recently had to give up work because he was only making \$60 extra after all of his commitments and child care because he had three children. We also have parents with disabilities and parents with children with

disabilities who may need their siblings looked after too. Not all families have extended families to support them and not all extended families can or will support them in rearing their children.

Child protection is very much everyone's responsibility—the community's and the government's. I believe this very strongly. OOSH is one of the responsive areas where we can protect the children—our future. Children are at risk. Every day we hear about things that happen to children. This is the one place where we can protect them.

The Childcare Assistance is not enough for OOSH. The operational subsidy is and can be, and we really need more, not less. For too long we have managed on minute budgets for vacation care and out of school hours care. They rarely cover wages let alone equipment or anything else—insurance and all the basics that are needed to run a centre. Someone was talking about \$47,000. Come off it—\$20,000 was our limit. We do not get a purpose-built centre. This is it. We are stuck sometimes in a very small area. I have been fortunate at Kurri. I have great facilities, but I know that a lot of OOSH centres in the Hunter region work out of areas that are 12 x 12 and have 60 children. In weather like this, can you imagine 60 children fitting in a 12 x 12 area?

Children aged 10 to 12 years—and often boys, but not always—often display negative behaviour, and they do in the community. They are led astray or they are the leaders. We actually can provide assistance for them so that they can learn positive behaviour. We do not want them to be in the next prison system. We want them to learn now how to manage their behaviour. That is what we want. We want to guide them. I do admit that there are girls. I did not want to be prejudice by saying boys, but in our community there is a very high percentage of boys who go out and vandalise fairly frequently and they are between 10 and 13.

We also believe that both genders need guidance to protect themselves from their parents. I am sure we have all been through the teens: 'Oh, gee, parents are terrible.' If you have not been through the teens level, when you do get there, you will know that you need that mediator. I have a 13-year-old for whom I act as mediator between her and her parent. I have 14- and 15-year-old children who still come into vacation care after they have left at 12 who want me to be a mediator. They sound me off: 'Oh, gee, is this a good idea?' That is our community spirit. We offer that service free of charge. It is providing for that need that is there. There is a gap.

We are a very small town. We are disadvantaged. We do not have the luxury of a cinema. We do not have the luxury of a great transport system going through our town. The kids cannot go to the beach. We are in between lots of major towns but we are absolutely nowhere. The limit of 20 hours care for the children of non-working parents can put the children at risk but it also makes the centre financially unviable because we can rely on those parents who come off the streets, like happened today. People say, 'My children are really giving us hell over the holidays. Can you look after them?' This morning I was booked in for 19 children. I have 29 children because of the weather. Those kids were doing nothing at home but being annoying.

Childcare Assistance is not enough to continue a viable centre and maintain high standards. These are not necessarily quality standards, just high standards. They are not the really elite standards but standards that are required by DOCS. How can we do this if we do not have any money? The voluntary code of practice and national standards are hopefully coming in at the end of the year. How can OOSH services survive? Half of us—probably more—do not even have a purpose built building.

OOSH rarely has clerical staff. It would be wonderful to have them. Some of us are trained. You said earlier that some of us are not trained in clerical work. Some of us can do clerical work. But we are paid to be on-face with the children. We do not get paid for clerical duties. We are part of the child/staff ratio. If we touch clerical work while the child is there and a DOCS person comes in on vacation care, she will ask us why we are doing that, because we are meant to be face on face with the children.

The extra costs and the workload for both before and after school care, and possibly vacation care if they put Childcare Assistance in there, is going to be absolutely horrendous. It will put many centres at risk of closure, and possibly ours. We have multicultural, Aboriginal and Torres Strait Islander plus special needs inclusions in our services. The funding does not go to us directly. The funding allowance did say, 'Yes, you can have that'. But they have to have a service to go to. If our centre closes down, they will not have that ability.

Not all parents work full time. Many in our area work casual, casual on-call or part-time, do shift work or are students. This has an influence on OOSH programs. We do not have specific children booked in for specific days. As the Salvation Army gentleman said earlier, children can walk in off the streets or a parent can ring up five minutes before I collect the child from that school and say, 'I am sorry; I am held up in Newcastle. I can't get to Kurri in time. Can you pick my child up from school.' That is what OOSH is all about. The parents want the stability of us saying that we are there. The instability occurs when they will not have anyone to pick their children up from school and their child goes home or gets picked up by someone who is not necessarily the right person.

The time frame for the adjustments has been mentioned before. Further adjustments and further changes have been detrimental in planning the commitments and consistency. Many parents have sought child care elsewhere, fearing this uncertainty already in my services.

Each service is unique and offers different needs to cater for the communities and families. You cannot lump each child care service together. We are all individuals. Please treat each service as an individual. Please do not lump us together. Our hours of service in vacation care have already been reduced. That is not always in the best interests of the children because the parents do need the commitment. We have before and after school care that is open at 6.30. Next term we will be open at 6 o'clock. Vacation care does not open until 7 o'clock because of the funding.

Transport has been mentioned before, and it is a very difficult situation in our area. We do not have a bus; we have my car and a volunteer's car. We pay the volunteer but they do not pay me for the use of my car. We cannot afford it and, at present, it is really stretched to pay the volunteer. If we did that, we would be out.

Someone mentioned 57 hours. I would love to work 57 hours a week. I get paid for 30 hours but I probably put in about 60 or 65 hours. I can see that next term it will be at least 90 hours. OOSH are not asking a lot. We are asking to be recognised, to have proper facilities and national standards. We want it to be recognised that children aged five to 13 years need care, protection and guidance. Thank you very much for your time.

CHAIR—Thank you, Ms Grantham. I just want to pursue one issue raised by you at the end. You referred to out of school hours care and five- to 13-year-olds, and I suspect there is going to be increasing demand for those children to be looked after between 3 p.m. and 7 p.m. Are there any mechanisms being developed, or have you given thought to using the school system for that? You said the need was for centres and infrastructure. There is readily available infrastructure there.

Ms Grantham—Yes. That is it; there is a readily available infrastructure. They have equipment and facilities that we would love to tap into. In our area we desperately need to go to the public school system, because at present we are outside of any school grounds. I honestly think—I am pretty sure this is right and I am sure the network could back me up—that if a service is in school grounds, they get more children and they obviously are more successful. In Kurri, we have approached the education department and we have approached several schools, and we were told no. They do not want us in.

If there were a directive from a government power which said, ‘We really feel that some of this should be in as infrastructure,’ I agree that that would be more successful. Not for them to take over OOSH—

CHAIR—No, but to use the existing facilities.

Ms Grantham—To use the facilities, yes.

CHAIR—There would have to be a fee paid for that as well, for maintenance and damage.

Ms Grantham—I think a reasonable fee would be acceptable. But some schools now, because of the global development, are trying to overcharge some OOSH services because they feel there could be an extra bit of money coming in.

CHAIR—In my own daughter’s school they offer that service for children from about 3 p.m. to half past six or thereabouts, predominantly where both parents work. There are a number of children who go there from the primary school and stay for three or four hours, and it works all right. There is a fee involved.

Ms Grantham—We have seven schools in our community and I actually cater for eight because I have one child in Cessnock who comes to me from a special school.

CHAIR—We can give some thought to that recommendation.

Ms Grantham—Yes. We have been trying to tap into the school system for a while and we are getting nowhere fast.

CHAIR—Mrs Edmonds, you run a 28-place long day centre—8 a.m. to 6 p.m.—basically for two- to five-year-olds. Have you found a drop-off in demand for places in the last 18 months, and has your waiting list for the next period of time been reduced as well?

Mrs Edmonds—For a start, there is no waiting list at all. I have noticed a drop-off, but not in children who were already in my centre last year and came back this year. I found a decrease in the number of parents who come in usually around August or September and start enrolling for the following year. The inquiries were down significantly.

CHAIR—Are you giving consideration to a different form of advertising or marketing to try to rectify that?

Mrs Edmonds—We are actually in a very good position where we are, which is really good. Our centre backs onto Terrigal Public School, so every mother who walks or drives her child to Terrigal Public School sees us. So we have a very good position, which has always been enough to fill our centre. We have tried advertising in the school newsletter, the Catholic school's newsletter and in the local paper, but parents choose a child care centre through word of mouth. Often a mother will come in and say that another mother has recommended our centre. There is just a fall-off in the number of inquiries.

I have often wondered if the Bureau of Statistics could show us that there were fewer children born three or four years ago, because we are grasping at straws to try to understand—

Senator NEAL—There has actually been a decrease.

Mrs Edmonds—That could be part of the reason for it. There is a tendency for—

CHAIR—Across the country. Sorry, Mrs Edmonds.

Mrs Edmonds—There is a tendency this year to have fewer of the two- and three-year-olds, and more of the older children. But basically the centre is mostly full of children who will go off to school next year. Parents seem to be thinking that they will send them just for the year before they go to school.

CHAIR—Is the same problem identifiable in the Hunter in both the private and the community areas?

Ms Ferry—Yes, it is happening. Someone who had an 86-place centre in Maitland reported that they had an attendance average of 80 at the end of 1996, and they now have an average of 59. Waiting lists are dropping, particularly in the two-to- three and three-to-five year age groups, through to six; and there are still some waiting lists for under-tuos in the Newcastle and Hunter region.

CHAIR—And that is both community and private?

Mrs Edmonds—Yes. It is consistent across the board.

Senator NEAL—Are you aware if there is still a demand for under-two places in the area where you operate—Terrigal, isn't it?

Mrs Edmonds—There is a community-based centre that caters for under-two-year-olds. I would love to take two-year-olds but I have not got any room left on my land. I would love to build. That would be an opportunity for us if we could, because if you can take babies, they progress from the babies up to the older ones. But we have got only the minimum amount of land we need for the numbers we have got so we cannot expand as we have got people either side. Maybe centres that have babies who move up are doing a little bit better than ones that start at the age of two years.

Senator NEAL—One of the arguments that was put to us in Melbourne was that it is hard to be more profitable when centres have a cut-off limit of 35. It was an argument put to us about why community centres are having a bit of a struggle at the moment, that it is because most of them are 35 places or sometimes even smaller. Do you think there is any validity in that argument?

Mrs Edmonds—I have always been a 28-place centre. I was a 28-place centre when I was licensed. It wasn't until this year that I found that there was problems filling the centre; so being a small centre hasn't been a disadvantage to me. I do not feel it has been a disadvantage. I find quite a lot of parents actually quite prefer a smaller centre with fewer children.

CHAIR—And you have made an adequate profit on the 28-person centre?

Mrs Edmonds—I have—over 1996-97, yes.

CHAIR—Right.

Mrs Edmonds—Only really with me doing—

CHAIR—You are the chief employee?

Mrs Edmonds—I am the jack-of-all-trades.

Senator NEAL—Do you mind me asking, if you do not feel embarrassed about it, what the fees are in your centre?

Mrs Edmonds—Yes. They are \$30.

Senator NEAL—A day?

Mrs Edmonds—Yes, a day.

Senator NEAL—And that is fairly comparable in the area?

Mrs Edmonds—In the area, we are the cheapest. And we also provide lunch, which quite a few of the centres in the area do not.

CHAIR—Right. Okay, unless you have further questions, Senator Neal?

Senator NEAL—No, I think I have done most of the talking.

CHAIR—I thank all of the providers and the representatives from the various forums for coming along this afternoon and giving us some help.

Committee adjourned at 2.31 p.m.