



COMMONWEALTH OF AUSTRALIA

# SENATE

## Official Committee Hansard

COMMUNITY AFFAIRS REFERENCES COMMITTEE

**Reference: Child care funding**

THURSDAY, 30 APRIL 1998

PERTH

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**SENATE**  
**COMMUNITY AFFAIRS REFERENCES COMMITTEE**

**Thursday, 30 April 1998**

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

**Substitute members:** Senators Gibbs and Woodley

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

**Senators in attendance:** Senators Bishop, Chris Evans, Gibbs, Knowles, Neal and O'Brien,

**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.

## WITNESSES

<b>ALLERT, Mrs Maureen Janet, President, Family Day Care Schemes of Western Australia, Meerilinga, 1186 Hay Street, Perth, Western Australia</b>	<b>449</b>
<b>BLANCKENSEE, Ms Helen Josephine, Treasurer, Australian Early Childhood Association, Western Australian Branch, PO Box 15, West Perth, Western Australia</b>	<b>449</b>
<b>CREED, Ms Helen Margaret, Secretary, Australian Liquor, Hospitality and Miscellaneous Workers Union, 61 Thomas Street, Subiaco, Western Australia 6008</b>	<b>435</b>
<b>DEVERAUX, Ms Susan Isabel, National Vice-President, Australian Early Childhood Association, Western Australian Branch, PO Box 15, West Perth, Western Australia</b>	<b>449</b>
<b>EATON, Ms Julie Helen, President, Carewest, c/- 1186 Hay Street, West Perth, Western Australia</b>	<b>449</b>
<b>ELLERY, Ms Sue, Industrial Officer, Australian Liquor, Hospitality and Miscellaneous Workers Union, 61 Thomas Street, Subiaco, Western Australia 6008</b>	<b>435</b>
<b>FANG, Mrs Barbara Joan, Member and Past President, Family Day Care Schemes of Western Australia, Meerilinga, 1186 Hay Street, Perth, Western Australia</b>	<b>449</b>
<b>GIAMBAZI, Mrs Bernadette Eileen, Member, Independent Child Care Centres of Western Australia Inc., Chamber of Commerce and Industry of Western Australia, Hay Street, East Perth, Western Australia</b>	<b>396</b>
<b>HARTLEY, Ms Noeline, Health Subcommittee, Women's Electoral Lobby, 21 Stirling Street, Perth, Western Australia 6000</b>	<b>411</b>
<b>HOUSTON, Ms Patricia Anne, Member, Australian Liquor, Hospitality and Miscellaneous Workers Union, 61 Thomas Street, Subiaco, Western Australia 6008</b>	<b>435</b>
<b>LYALL, Mrs Christina Frances, Convenor, Health Subcommittee, Women's</b>	

<b>Electoral Lobby, 21 Stirling Street, Perth, Western Australia 6000</b> .....	<b>411</b>
<b>McFARLANE, Ms Jann Sonya, Coordinator, Welfare Rights and Advocacy Service, 98 Edward Street, Perth, Western Australia 6000</b> .....	<b>411</b>
<b>MILLER, Mrs Angela, Member, Australian Liquor, Hospitality and Miscellaneous Workers Union, and Coordinator, South Lake Child Care Centre, 61 Thomas Street, Subiaco, Western Australia 6008</b> .....	<b>435</b>
<b>NADAS, Ms Paula, Manager, Ethnic Child Care Resource Unit, 384 Oxford Street, Mount Hawthorn, Western Australia 6016</b> .....	<b>411</b>
<b>STOTT, Mrs Sandra Lynne, Vice-President, Australian Early Childhood Association, Western Australian Branch, Meerilinga, 1186 Hay Street, West Perth, Western Australia</b> .....	<b>449</b>
<b>SWAN, Mr Christopher William McLeod, President, Independent Child Care Centres of Western Australia Inc, Chamber of Commerce and Industry of Western Australia, Hay Street, East Perth, Western Australia</b> .....	<b>396</b>
<b>THOMSON, Ms Jennifer Lyn, Member, Australian Liquor, Hospitality and Miscellaneous Workers Union, and Manager, 61 Thomas Street, Subiaco, Western Australia 6008</b> .....	<b>435</b>

**COMMUNITY AFFAIRS REFERENCES COMMITTEE**

**Child care funding**

PERTH

**Committee met at 11.09 a.m.**

**CHAIR**—I declare open this public hearing of the Senate Community Affairs References Committee. The committee is continuing 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. The 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 stand up to 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, could you please restrict your speaking time to three minutes. Ms Christine McDonald on the far left of the room has the microphone. If you wish to speak, just stand up; we will identify you, and get the microphone to you in due course. This is your opportunity to make a comment on issues relating to child care or child care funding, so if you have a comment to make, please stand, and we can kick off the day's proceedings. Do any individuals wish to make a comment? It is mainly for parents. Do we have any parents who have come in who wish to make a comment?

In that case, are the Independent Child Care Centres of Western Australia here? We have received your request to come and give some evidence this morning, so seeing as the community forum is not going to go ahead, we might as well slot you in and do you first off.

[11.11 a.m.]

**GIAMBAZI, Mrs Bernadette Eileen, Member, Independent Child Care Centres of Western Australia Inc., Chamber of Commerce and Industry of Western Australia, Hay Street, East Perth, Western Australia**

**SWAN, Mr Christopher William McLeod, President, Independent Child Care Centres of Western Australia Inc, Chamber of Commerce and Industry of Western Australia, Hay Street, East Perth, Western Australia**

**CHAIR**—I now invite you to make a short opening statement summarising your views on the issues. This should not be a repeat of your formal submissions, copies of which have been placed before the committee. At the conclusion of your remarks, I will invite members of the committee to put questions to you both.

**Mrs Giambazi**—Thank you. I have been involved in the child care industry for 24 years. I have got two child care centres, and I have seen governments come and go, and ministers come and go, and I have seen ups and downs in the child care industry. When we are addressing the issues that the committee is looking at, I think we should look at some of the issues that have come out of it. One of the things that has disturbed me has been the inference that the private child care industry in fact does not provide high quality care. This is what has appeared in the press. It is interesting to note that as many private child care centres have a three-year accreditation from the National Child Care Accreditation Council as do community based centres.

There is no doubt that funding cuts have had an impact on the child care industry in the effect of the 50 hours, which has had the effect of increasing fees for some parents in child care centres. The fact that the \$2.30 cap has not been increased has also had an impact. The \$30 disregard has had some impact as well. But the biggest impact that has been felt by the child care industry is the oversupply of children's services. There is no doubt in my mind that the biggest impact on quality has been oversupply. When services are not viable, that is when quality is affected. But then we have to look at what sort of quality has been affected.

In all states we are regulated as to child-staff ratios, and one of the most important determinants of quality is child-staff ratios. There is no way that any service can compromise on that. If we are looking at resources, most services maintain their resources at a level, so the impact has been felt by parents paying fees, not necessarily by services. When the government decided to abolish operational funding, in the private industry we considered that was an equitable move. For as long as there have been community based services—and I have been in the industry for a lot longer than there have been community based services—it has been an inequitable funding, in the effect parents of all economic hues have not necessarily had access to that funding, so that the only place that that extra funding could be accessed was through community based services. I think that is probably all that I really wanted to say. Thank you.

**Mr Swan**—I would basically concur with what Mrs Giambazi has said, pointing out that the fees being charged by the private child care industry have not really gone up in the last 18 months. What has gone up has been the amount the parents have had to pay because of

the gap being lessened through the \$30 disregard. Quality has not suffered in private child care. We all have to work under the same regulations within the state, and therefore these have to be maintained. With regard to employing of junior staff, for every junior staff under 18, you have to employ a staff over 18. This is in the regulations. I think basically that is about all I can think of at this stage.

**CHAIR**—Thank you, Mr Swan. We will go to questions now. Senator Knowles—who is deputy chair of the committee.

**Senator KNOWLES**—Thank you, Mr Chairman. Mrs Giambazi, how many people are actually using more than 50 hours of service? You were saying there was a concern with that.

**Mrs Giambazi**—I can only speak for my services, and there is no-one.

**Senator KNOWLES**—So it is a very low usage or low demand for the excess.

**Mrs Giambazi**—Yes, I think so, when you consider that my services are in Nedlands, where there is a lot of employment, with hospitals, universities and colleges, so that I draw my clientele from Ocean Reef through to Mandurah.

**Senator KNOWLES**—So that is a very broad cross-section of economic status, isn't it?

**Mrs Giambazi**—Yes, it is.

**Senator KNOWLES**—One of the other allegations, as you say, that has been made is that private centres do not provide high quality care. One of the other inferences that is constantly being made is that the private centres are only for the high income people. I have figures that have been provided by the department that say that low-income families using private centres total about 96,000 in Australia, and the community based only 28,000. Is that your joint experience in terms of cross-income usage in child care centres?

**Mr Swan**—Could I answer. My centre is in Innaloo, which is a different socioeconomic area, and in our area—it is north of the river in Perth—there are no community based centres within a reasonable distance. They are basically all private child care centres, and so there is a broad spectrum of working people who attend our centre.

**Mrs Giambazi**—If I could just say that both of my centres are in a high socioeconomic area, and probably 45 per cent of my clients are from that area. The rest of them would be people who are coming into the area and of a range of economic circumstances.

**Senator KNOWLES**—Including university students?

**Mrs Giambazi**—Absolutely.

**Senator KNOWLES**—How many university students do you think you would have utilising your services in an area like Dalkeith?

**Mrs Giambazi**—It is actually Nedlands, not Dalkeith.

**Senator KNOWLES**—Or Nedlands.

**Mrs Giambazi**—The university has a big centre of its own that caters for students, so we probably have 10 to 15, I suppose—in both centres, that is.

**Senator KNOWLES**—And how have they coped with the fee increases, because from the private centres you have only put up your fees about a dollar, according to our statistics. Do they still maintain their child care hours, or have they dropped?

**Mrs Giambazi**—No, they have not dropped their hours. You may or you may not be aware that most services stagger their fees. That is, we load the part-time fees. It is cheaper to have children in full-time proportionately, and students use part-time care, so they are using care that is priced at an optimum sometimes.

**Senator KNOWLES**—Mr Swan, I was interested to hear you say that for every staff member under 18 there had to be one over 18.

**Mr Swan**—That is correct.

**Senator KNOWLES**—We have a lot of evidence here today and in previous hearings that the staff is becoming less trained, less qualified, because the centres cannot afford them. Are you aware of that practice taking place, where there would be more staff unqualified than qualified, instead of the one for one?

**Mr Swan**—Under our regulations, and I can only speak for Western Australia, the regulations are quite specific in what staff we have to have on the premises in relation to the age of the children. So you cannot cut down on qualified staff. You have to have the qualified staff as listed in the regulations. With regard to the 18-year-olds, they are the unqualified staff. Unqualified staff are as per the regulations, so you just cannot employ all junior staff.

**Senator CHRIS EVANS**—Could I just ask about the experience of fee movements in private centres in Western Australia in the last couple of years. Have fees risen in general or have they been kept to a minimum? Perhaps you could just describe to me what you think has happened in fee structure in private centres in the last, say, two years.

**Mrs Giambazi**—I can only say for my own centre. My fees have risen in the last three years an average of \$3 or \$4 per week per fee.

**Senator CHRIS EVANS**—Over that couple of year period, not per year?

**Mrs Giambazi**—No.

**Senator CHRIS EVANS**—So generally you would say the fees have not gone up a great deal in recent times?

**Mrs Giambazi**—No, that is true.

**Senator CHRIS EVANS**—Mr Swan, is that similar to your experience?

**Mr Swan**—From my own centre, the last time our fees were increased was in October 1995. Anecdotal evidence from my own area seems to be that the fees have not increased—if they have, they would be \$3 to \$5 a week.

**Senator CHRIS EVANS**—Could you tell me what you are charging for a three to five-year-old per day, each of you?

**Mrs Giambazi**—I charge \$158 a week.

**Senator CHRIS EVANS**—Do you have a daily fee for part-timers?

**Mrs Giambazi**—I have one, two, three and four-day fees. It is staggered. One day is \$50, two days is \$95, I think, and three days is approximately \$129 and then four is \$140 or something.

**Senator CHRIS EVANS**—\$158 is five. This reflects the fact that, basically, your full-time children end up proportionately cheaper per day?

**Mrs Giambazi**—Proportionately cheaper, yes.

**Senator CHRIS EVANS**—Mr Swan, is that the same?

**Mr Swan**—My three- to five-year-old fee for a week is \$135. The daily fee is \$35—and I will have to just guess on the rest. It is about \$72, \$108 and about \$120 or thereabouts. The daily fee does stagger, so proportionately it goes down.

**Senator CHRIS EVANS**—How do those fees fit in terms of the general Western Australian industry? Yours, Mr Swan, seem to be slightly lower than Mrs Giambazi's. Where are you in the range?

**Mrs Giambazi**—I am probably towards the top but there are services that charge considerably more than I do—you know, \$5 or \$6.

**Senator CHRIS EVANS**—Is it price competitive then in Western Australia?

**Mr Swan**—I would think so, yes.

**Senator CHRIS EVANS**—How do you arrange for setting your fees then if it is price competitive? Does dropping your fee by a couple of dollars a week gain you more clients? What I am leading to is Western Australia seems to have had a particularly large number of closures of centres. We experienced that in New South Wales last week with the committee, and there are obviously closures in other states, but Western Australia seems to be worse hit by closures of centres, both community based and private. Part of the role of the committee is to try and get an understanding of why. New South Wales have told us their fees have not

increased but their demand is down about 30 per cent. Is demand down in your experience in Western Australia?

**Mr Swan**—Demand has plateaued, basically because of the oversupply. Just in my area where my centre is there are 15 child care centres within a two-kilometre radius of my centre.

**Senator CHRIS EVANS**—They are all private, according to your earlier evidence.

**Mr Swan**—There are private but there are two college based. There is Edith Cowan and Carine TAFE.

**Mrs Giambazi**—There has been an explosion of services. Every man and his dog was thinking that they should get into child care, and some of them being advised to get into child care, would you believe.

**Senator CHRIS EVANS**—You went to an accountant and they told you to open a child care centre?

**Mrs Giambazi**—Yes, for instance in Mandurah five years ago there were five centres. There are 15 now. If you are going to Mandurah you are not really going anywhere else. Mandurah is Mandurah and so they can only draw their clientele from a small area.

**Senator CHRIS EVANS**—To what do you then attribute these closures—just to competition among centres or do you accept the demand is down in Western Australia as well?

**Mrs Giambazi**—We are probably on the curve. We have the curve all the time and every five years we seem to have a downward turn and then it creeps up and then we have a downward turn.

**Senator CHRIS EVANS**—You are talking about demand for places?

**Mrs Giambazi**—Demand for places, and I think that it is the oversupply of services. The other thing too is I think that people are opting for alternative arrangements as well. That is every person's right. People now can access the Childcare Rebate to carers in their own home. People have opted to do that.

**Mr Swan**—The other issue in Western Australia, which has impacted particularly from this year, is the commencement of the four-year-old school program of two half-days a week. I believe that has had quite a marked effect. I can explain from my own centre we have only now two four-year-olds in our centre. Normally we would expect to have somewhere in the vicinity of about 10 four-year-olds ready to go to school. This has had quite a marked effect within child care centres, I would think.

**Senator CHRIS EVANS**—What about actual demand for places? Do you have waiting lists or are you full? Do you have parents waiting to get into the centres?

**Mrs Giambazi**—In one of my centres I have people waiting to get in. In the other centre I do not.

**Senator CHRIS EVANS**—Are those waiting lists shorter than in previous years?

**Mrs Giambazi**—No, they are not. I think another thing that has had an impact also is that the Catholic and Anglican education systems have introduced four days of four-year-old preschool—full days. That has had a big impact on the number of children accessing centres.

**Mr Swan**—Our baby section is full and we have a waiting list for that. Our two-year-old section has a waiting list but it is our older section that does not have a waiting list for places.

**Senator CHRIS EVANS**—My problem is trying to understand this because there is conflicting evidence, not from you, but on one hand we are saying we have got 20 centres closing because of competition and the next thing both of you have waiting lists for positions. You in particular, Mr Swan, are in an area where you say there is a mass of competition. It is really hard to get a clear picture as to what is happening here in the industry.

**Mr Swan**—We have been in our centre there for 10 years and I would say we would have a good name. I would say that I have heard of other centres around who have just started up and they are battling to have children into their centres. It takes them a while for them to build up goodwill to get children into their centres.

**Senator CHRIS EVANS**—There are a number of centres on the list of those who have closed who had, in my experience, reasonable names and reputations. So obviously there is pressure on the system.

**Mrs Giambazi**—I think the impact of the accreditation process is starting to be felt now also. The accreditation process has not only shown services and staff what is good practice, but it has also informed the community of what is quality practice. I think parents coming into services are much more discerning than they ever were and they know what to look for when they are looking for quality services. I think that is starting to have an impact now.

**Senator NEAL**—You were talking about the 50 hours before. Does either of your centres stay open more than 50 hours? What hours do they operate on?

**Mrs Giambazi**—Both of my centres open 52.5 hours—10.5 hours a day.

**Mr Swan**—Currently we are open 50 hours but we are going to 55 because the demand is increasing to open longer. We are getting far more parents asking. Because of the changing nature of the workforce we are finding that parents are starting earlier—working

fewer days but working longer hours on the days that they are working. We are finding, particularly in our centre, that a lot of parents are asking us to start earlier or finish later.

**Senator NEAL**—A lot of centres have told us in other hearings that it is more than just an issue of individuals needing more than 50 hours, but it is an issue of being able to keep a centre open for longer than 10 hours a day to cater both for the people who started early and the people who started late. So the 50-hours issue was really a bit broader than just if individuals needed more than 50 hours. Do you have any comment on that?

**Mr Swan**—Yes, that is part of the reason with the 50 hours that parents, as I say, are working longer hours and so they have to start earlier in the mornings and quite often the second parent would pick them up in the afternoon, or they drop them off later in the morning and pick them up later in the evening. This is what we are finding. The centre is actually having to open for longer hours just to carry the people who are starting earlier and finishing later, but they are not being there much more than the 50 hours.

**Senator NEAL**—So bearing that in mind, is that 50-hour limit a difficulty?

**Mr Swan**—It is a difficulty.

**Senator NEAL**—What effect does it have on the fees?

**Mr Swan**—We have to staff the centre for longer hours due to the regulations. We have to have a minimum of two staff on the premises, so therefore as we are open longer we have to pay an increase in wages. Basically there is a cross-subsidisation from the parents but we still have to open longer so the fees will probably increase to cover this.

**Senator NEAL**—What most centres have told us is that they have to make a choice between charging parents who need longer hours an extra fee—and it becomes quite dramatic because you are not getting child care assistance itself at cost—or, alternatively, spreading out the increased cost amongst all parents and charging everyone a little bit extra. Is that a consequence of that 50-hour term?

**Mr Swan**—That is the cross-subsidisation where all parents would be contributing because of the consequence of the 50 hours.

**Senator NEAL**—So despite the fact that there are not very many families that actually utilise more than 50 hours a week, the 50-hour limit does have the effect of increasing the price for parents across the board.

**Mrs Giambazi**—For services that open more than 12 hours a day, it has obviously had the biggest impact. There are some services that open from 6.30 am to 6.30 pm, so that is 12 hours. The impact for those parents would have been much greater than for services that did not open for that length of time. When one is costing what costs we are doing, we do it on maximum hours so that the cost is spread.

**Senator NEAL**—Exactly. You were giving prices before. Do you have a differential rate for babies, under twos?

**Mr Swan**—Yes, the full weekly rate for under twos is \$165 and it is \$42 a day.

**Senator NEAL**—That is for part-time people?

**Mr Swan**—For part-time.

**Mrs Giambazi**—I have a different rate. My rate for babies is \$183 a week and the one day is \$55 and it decreases proportionately.

**Senator NEAL**—Did you always have a differential rate or was it a changing rate?

**Mrs Giambazi**—Ever since I have been in child care I have geared my fees to the child-staff ratio requirement for that age group.

**Mr Swan**—I think that is basically what you would find in most centres, and that is the same with our centre here. We have a fee differential for the child-staff ratios.

**Senator NEAL**—I was interested, Mr Swan, when we were talking about the rate of staff, you were talking about qualified and unqualified, and the unqualified being under 18. Aren't all staff unqualified, no matter what age, if they have not done the course?

**Mr Swan**—What I am saying about unqualified staff is that you cannot employ all your unqualified staff as juniors. You have to have a mix of unqualified staff who are under 18, and staff over 18.

**Senator NEAL**—What is the staff requirement here in Western Australia?

**Mr Swan**—For under-twos, it is one in four, and you need a trained staff person on the premises when you have a baby on the premises—that is under two. Between two and three, it is one in five, and you can have unqualified staff for one to fives, but once you get over five you have to have qualified staff. The over-threes is a one in 10 and you do not need qualified staff, but once you get over 10 you need qualified staff.

**Senator NEAL**—What proportion of junior staff are you allowed to have?

**Mrs Giambazi**—One to one.

**Senator NEAL**—So for every senior person, whether qualified or unqualified, you can have a junior person. Is that correct?

**Mrs Giambazi**—The staffing works out in areas, because in Western Australia most of our services have the children in separate groups, so that we work with a group of children with three staff so that there will be one person who possibly is under 18, and of the other two, one of them would be a qualified person. With the trend now, certainly in Western Australia, very few young people are leaving school until they are 17 or 18. For instance, when I employ staff, I do not employ anyone unless they have done year 12 and they are going on to do some sort of study, so the work that they do in the service has some impact

on what study they are going to do. Sometimes they decide that it is not going to be for them, and that is fine; that is part of the process as well.

When we talk about unqualified staff, we mean people who do not have an associate diploma. It does not mean to say that they are not trained. They may have a certificate or an advanced certificate, so they do have some training.

**Senator NEAL**—There was a question asked earlier, Mr Swan, about whether the number of qualified staff has reduced, and you responded by saying that the requirements were the same for private and community. The committee is aware of that, but what evidence we have taken in other areas is that before people were above the bare minimum; obviously everyone has to be on that bare minimum or they cannot be licensed, but people were dropping their staff to the bare minimum to reduce their costs. Is that happening here in Western Australia?

**Mr Swan**—No. In the private industry that has never happened. Our centres have always maintained the required level of staffing.

**Senator NEAL**—You mean the minimum level?

**Mr Swan**—The minimum level. But this has also been borne out by the fact of the accreditation, which has shown that private child care centres have received the highest grading in equal proportion to other places that have had more staff. More staff does not necessarily mean better care.

**Mrs Giambazi**—If I could just comment on that too.

**Senator NEAL**—Yes, sure.

**Mrs Giambazi**—Up until 18 months ago, to acquire a trained staff member in Western Australia was like acquiring a hen's tooth. They were very difficult to acquire.

**Senator NEAL**—You import them from out east.

**Mrs Giambazi**—We imported them from everywhere.

**Mr Swan**—New Zealand.

**Mrs Giambazi**—I do not know where they got their qualified staff to put them off, because most people were desperate to have qualified staff. We had in Western Australia a couple of years ago 62 exemptions for services that could not get qualified staff, and they had exemptions from the licensing board because they were not able to get qualified staff. That has been addressed, but if you understand the situation, it was very difficult to get qualified staff. There are some remote services in Western Australia that can never get qualified staff. It is very difficult for them to get them, and they have exemptions also..

**Senator NEAL**—So are you saying until recently there were 62 centres that should have had trained staff but did not? Is that what you are saying?

**Mrs Giambazi**—Not necessarily centres. There might have been an area within a centre that required a qualified staff person that did not have it.

**Senator NEAL**—That is quite a lot, isn't it?

**Mrs Giambazi**—Yes.

**Senator CHRIS EVANS**—There are some very real problems in regional Western Australia in terms of having qualified staff who stay.

**Senator NEAL**—The other issues we have been hearing a lot about: you have said you personally have waiting lists and obviously do not have vacancies then. Do other private centres in Western Australia have reduced occupancy?

**Mr Swan**—Definitely, yes.

**Senator NEAL**—What sort of rate? Any idea?

**Mr Swan**—It is difficult to say. I would say it ranges from around about 60 per cent, maybe to 80 per cent, but some are even quite a lot less. I know of a new centre in our area not far from me, and I would say he would be lucky to have about 25 per cent occupancy at this stage.

**Senator NEAL**—That means they are not going to last long, are they?

**Mr Swan**—No.

**CHAIR**—I might interrupt you, Senator Neal, and give the questioning to Senator O'Brien.

**Senator O'BRIEN**—Thank you, Mr Chair. I guess either of you can field this question. I wanted to ask about the levels of payment. You have talked about inability to attract qualified staff in the numbers that industry are seeking. We have had some evidence in other states that basically child care workers are paid the award rate, and that over-award payments or enterprise agreements or other arrangements that set wage rates above the award rate are rare, if they occur at all. To your knowledge, what is the situation in Western Australia?

**Mr Swan**—Firstly, with regards to the availability of trained staff, that is now becoming not so much of a problem as it was, but it is still tight. I believe that Edith Cowan University has taken in 144 new students this year, and at TAFE, and there are now two private colleges in Western Australia that are providing training for the qualified staff. I believe that most of those are fairly full with people applying to take on qualified positions.

**Mrs Giambazi**—I would think that there would be very minimal above-award payment. There might be a few carrots, but very minimal above-award payments.

**Senator O'BRIEN**—Fringe benefit type carrots, do you mean?

**Mrs Giambazi**—Yes. Maybe trips to conferences and that sort of thing offered as incentives.

**Senator O'BRIEN**—So essentially whatever the award says is what people get paid in this state as well?

**Mr Swan**—I would say so, yes.

**Senator O'BRIEN**—Am I correct in understanding that there is a different award for the community based centres than that which applies to the privately run centres?

**Mr Swan**—Yes, there are two separate awards. The rates of pay are the same, and conditions.

**Mrs Giambazi**—The only differential was the two weeks special leave; it used to be called stress leave. I am not absolutely sure that that was universal within the community based centres, but it started off as part of a consent award and it spread to other services. That was the only difference.

**Senator O'BRIEN**—In terms of the general cost structures between the community sector and the private sector, they are essentially the same. Is that what you are saying?

**Mrs Giambazi**—Except that we have huge capital and ongoing costs in that respect. My second centre is four years old, and the establishment costs are not small.

**Senator O'BRIEN**—I suppose in fairness there would be a balance in terms of taxation arrangements that might somehow recoup those investments.

**Mrs Giambazi**—Possibly.

**Mr Swan**—I am not fully au fait with the community based centres—I have not been on a committee so I cannot really argue—but my understanding is that they do not pay rent. In that sense they have quite a big head start if they do not pay rent or some sort of return on investment.

**Senator O'BRIEN**—So the private sector centres operate in accordance with the regulations. Does that imply that the community based centres staff in excess of the requirements of the regulations, if they do not have the same cost structure as you?

**Mrs Giambazi**—I do not think that they would. It would be on a par. Five or 10 years ago it used to be different, but in the last 10 years I would think they staff in the same way as we do.

**Senator O'BRIEN**—You mentioned in your evidence, Mrs Giambazi, the private schools—I think you said the Catholic and was it Church of England?

**Mrs Giambazi**—And Anglican private school systems.

**Senator O'BRIEN**—Anglican, yes—have introduced four-year-old student arrangements. How are they funded? Do you know?

**Mrs Giambazi**—I do not have any idea, but they have five full days of pre-primary for five-year-olds—you understand that in Western Australia it is a bit different from the other states—and just this year they have introduced four full days of pre-pre-primary for four-year-olds.

**CHAIR**—I can help you on that, Senator O'Brien. My daughter attends one of them. Most of the private school systems provide four day child care for four-year-olds. You pay the same fees as the grade ones or grade twos on an annual basis, and indeed most of them have a loading of somewhere between 20 and 50 per cent on the grade one fees. So it is essentially the school fees, plus up to 50, which is significantly less, of course, than the going rate in either private or community child care centres, and hence is very attractive to parents of four-year-olds to get them into the school system. A lot of people regard it as de facto child care.

**Senator CHRIS EVANS**—While you are answering the question, Senator Bishop, are they eligible for child care relief?

**CHAIR**—No, they are not, Senator Evans.

**Mrs Giambazi**—The child-staff ratios are different, too.

**Senator O'BRIEN**—Yes, I was going to ask about that. Perhaps we will get more information off the record before we put it on the record on that subject. That is all I have, Mr Chair.

**CHAIR**—Thank you, Senator O'Brien. I have one question, Mrs Giambazi. You made a comment in passing that people were opting for alternate arrangements for child care for their children, and you mentioned that the Childcare Rebate was payable for people who have a registered provider who uses their own home. Have you noticed a significant take-up in that sector, or is it just the odd bit and piece?

**Mrs Giambazi**—Yes, I have. I think that is probably a reflection of the area where my services are, too. Since the Childcare Rebate has been introduced, there has been a significant number of people who opt for that arrangement. Sometimes it is a shared arrangement. Depending on the number of children a working family may have, it may be a shared or a single arrangement.

**CHAIR**—So that de facto, informal yet registered child care is a real competitor to the private care sector, isn't it?

**Mrs Giambazi**—Yes.

**Senator NEAL**—It is not registered, is it?

**Mrs Giambazi**—No, it is not registered.

**CHAIR**—Eligible for rebate.

**Mrs Giambazi**—It is registered in that the carer is registered.

**Senator CHRIS EVANS**—You are talking about nanny services, rather than family day care type of services, are you?

**Mrs Giambazi**—Yes.

**CHAIR**—Mr Swan, have you noticed the same changes in the marketplace?

**Mr Swan**—Certainly. I have not got the same as Mrs Giambazi, with regards to the Anglican and Catholic schools at this stage, because it has only just started and a lot of them have not really geared up. But the government schools are two half days and that is where I have noticed that grandparents and friends take children; when I have to take from my own centre to the pre-primary school, I have noticed grandparents, and this has been a continuing trend, particularly over the last three to four years.

**CHAIR**—Are the government schools going to go the same way as the Catholic and Anglican education systems?

**Mr Swan**—Yes, eventually, under the early start program.

**Mrs Giambazi**—In 2000, I think. It will not be four full days. It is four half days from 2000 on, I believe.

**Senator CHRIS EVANS**—It seems to me, Mr Swan, my immediate reaction from hearing your evidence was that—Mrs Giambazi, I gather your centres are largely in the Nedlands area—it seemed like it was a slightly different phenomenon occurring to the Innaloo area. You are in a different socioeconomic group. Your competitors are coming from the private school system where I know there are a lot of private schools in that area. Mr Swan, you are thinking there are more private care arrangements, probably reflecting that there are fewer of those sorts of schools in that socioeconomic group.

**Mr Swan**—That is right, yes. It is more anecdotal, but it does seem to be the case when you take children and pick them up from the school.

**Senator NEAL**—In not necessarily just your own centres but other private centres that you are aware of, has there been cost-cutting in the last couple of years, apart from staffing, which we have already discussed?

**Mrs Giambazi**—Depending on the occupancy rate. The only way that you can cut costs is to monitor numbers and, where you are overstaffed, reduce staff.

**Senator NEAL**—One of the things that has been happening elsewhere, that we have been told has been happening, is that owners and operators at centres have been spending more time on the floor and employing other staff less. Is that something that you have noticed in Western Australia?

**Mrs Giambazi**—I am not a contact staff person but I have always spent time on the floor, but never to exempt other staff from being there. I think probably in private child care for many years, not just in the last few years, a private operator would move in in a situation where there was a staff person off.

**Senator NEAL**—This was more than that; it was actually putting your hours in to become part of the required numbers. If it does not happen here, that is fine.

**Mrs Giambazi**—I cannot see a problem with that, as long as there is someone there caring for the children.

**Senator NEAL**—I am not saying it is a problem. I am just asking is it happening more now in order to cut costs than it was happening two years ago?

**Mrs Giambazi**—I am not aware that it is.

**Mr Swan**—No, I am not either. In my centre, which is a much smaller centre, my wife and I have always worked on the floor or done part of the work—cooking, taxiing and ferrying and all those sort of things. I guess that has been basically in the private industry right the way through, to my knowledge. I have been involved with it for 14 years.

**Senator NEAL**—There are not any other mechanisms for cost-cutting that you are aware of?

**Mr Swan**—Not really, no. The regulations are fairly standard.

**Mrs Giambazi**—But they only actually deal with the very fundamentals; things like whether you provide a hot meal, whether you have a nice garden. Those sort of things would not be set out in the regulations.

**Mr Swan**—There is a schedule of equipment that you have to have and that has to be maintained in a safe and well-maintained condition, so that is part of the regulations.

**Mrs Giambazi**—Yes, we have to display a daily menu either for a week or a month so that parents and anyone in the community is aware of what children are being fed. The licensing board in its spot visits will question that and if a service has not served the meal that is on the menu, will monitor why it is not being done.

**Senator NEAL**—Do you have to supply a meal in Western Australia?

**Mrs Giambazi**—Depending on the size of the service and whether or not some other arrangement has been made; for instance, Unicare used to get their meals provided through the guild or somewhere but I think that they have in-house meals now.

**Senator NEAL**—But there has to be a meal provided for the children. That is just not the same with the—

**Mrs Giambazi**—Depending on the size of the service—I think it is 20-plus—there has to be a person employed to provide a meal.

**Mr Swan**—A separate staff person to provide the meal. It cannot come from the staff.

**Senator NEAL**—Would you say that private centres in Western Australia are less viable now than they were two years ago, on average? I do not mean just your centre.

**Mr Swan**—I would say the effects of the Education Department and the excessive numbers of child care centres would certainly have impacted on the viability of a lot of centres in the private industry in Western Australia.

**Senator NEAL**—Sorry, that was not exactly what I was asking. What I was saying is do you think centres are less viable now than they were two years ago?

**Mrs Giambazi**—We set up a crisis working party committee which was a cross-industry committee, just over two years ago, because things were at a crucial level. I think since then things have improved a bit. I presume that the reason is that some services have closed so that there is not quite as much competition out there.

**CHAIR**—You have had a bit of the shake-out already, have you?

**Mrs Giambazi**—Yes.

**CHAIR**—Thank you, Mrs Giambazi and Mr Swan. Your evidence has been most useful this morning.

[11.59 a.m.]

**HARTLEY, Ms Noeline, Health Subcommittee, Women's Electoral Lobby, 21 Stirling Street, Perth, Western Australia 6000**

**LYALL, Mrs Christina Frances, Convenor, Health Subcommittee, Women's Electoral Lobby, 21 Stirling Street, Perth, Western Australia 6000**

**McFARLANE, Ms Jann Sonya, Coordinator, Welfare Rights and Advocacy Service, 98 Edward Street, Perth, Western Australia 6000**

**NADAS, Ms Paula, Manager, Ethnic Child Care Resource Unit, 384 Oxford Street, Mount Hawthorn, Western Australia 6016**

**CHAIR**—I call representatives of the Welfare Rights and Advocacy Service, Ethnic Child Care Resource Unit and Women's Electoral Lobby. I welcome you to the table and invite you to make a short opening statement summarising your views on the issues. This should not be a repeat of your formal submissions, copies of which are before the committee. At the conclusion of your remarks, I will invite members of the committee to put questions to you.

**Ms McFarlane**—Thank you for the opportunity to appear today. We were pleased to have the opportunity to put in a submission. In our submission we mainly covered the impact on us—as a community legal centre and welfare rights service—when people, the parents, carers and staff of child care services, approached us. We have noticed in the last three years an increase in the number of contacts and requests for assistance from all these different groups of people.

There is another concern which we did not raise in our submission because of certain sensitivities but we have also noticed that, as a community legal centre, more and more people are ringing us and asking us what do about a neighbourhood situation where they have noticed children left at home alone. We find great difficulty in handling these inquiries because we have to give people enough information to tell them of the role of the Family and Children's Services Department while trying to nudge them along the path of being a good neighbour and perhaps working with the family on solving their problem because children are usually only left home alone when the parents or the carer have no other options.

In a number of cases we have had phone calls from parents, very distressed because the local Family and Children's Services district officer has called in to see them as a result of a complaint by a well-meaning neighbour about the children being left alone. The issue usually is child care. A number of these inquiries we got were from families who had had their children at an out-of-school-hours child care centre and in the northern suburbs there have been a number of these services close down. They had come to an arrangement where they left their children at home.

There is a difficulty between looking at the issue from the child care service point of view and from the family point of view. We have great concerns that as the subsidies have

changed some centres have ended up being under-utilised and they have closed down because of financial reasons. We are aware of the practical difficulties of that. The treatment of the staff in some of these circumstances at times has been in direct breach of industrial relations law.

Our concern mainly is here, as the centre that deals with social justice issues, what role should we be playing? What role should the government be playing in addressing these issues? To us the family issues somehow are not really being addressed comprehensively by the coalition government.

**CHAIR**—Thank you, Ms McFarlane.

**Ms Nadas**—The two key issues that I brought up in my paper were about the state government implementation of four-year-old programs and the impact that this was having on families of non-English-speaking background; also about the need for bilingual information. Apart from those, I have got three areas where I would like to bring up some issues that are occurring—the three areas of impacts on services themselves, on families and then on the RATA, which is my resource and training agency.

With impacts on services the operational cuts to out-of-school-hours care have resulted in cost efficiency improvements that have meant that there has been a lot of juggling with staff to make sure that centres are viable. I am a treasurer on a community-based centre and it has been very difficult for us to keep members running that community-based centre. So the actual structures that are often supporting the community-based sector are hard to keep viable under the current economic things that are going on, I think.

There has been a lot of negative impact, I think, because of that on children. Children are now having to deal with a lot more adults within their room because as numbers drop, a staff member will be asked to be more flexible and not be present. Consequently they have got different sort of staff coming in and out a bit more casually than what has occurred previously.

The other thing that I think is a bit of a concern for me is the operational subsidy possibly being removed from family day care. I am hoping it will not be because, if the family day carers are also faced without any support network for themselves as carers in the field, I think we will go through a real crisis and see a huge transformation of backyard care becoming more rebate orientated than what it is currently. Things are happening in that area already.

With the impact on families of LOTE the \$30 disallowance fee has been the biggest concern to a lot of those families, particularly those with two or more children of that age. We feel that they would be falling out of the field. They also find the process of asking for greater fee relief a bit more of a strain and degrading. Often they will do anything to avoid it because of the fact that they have to expose some of their family issues. If they are from a background with torture or trauma or other sorts of cultural backgrounds they will avoid it at any cost.

For the ones that are working night shifts at the present time, the 50-hour cap is often very difficult and they are often the ones who have to apply for extended support. We are finding a lot more children also being left home alone and not attending out-of-school-hours care and other arrangements in different ethnic communities. The impact on our particular RATA, the resource and training agency, is that the cost of releasing staff to come in to do training in the resource and training agencies is becoming a factor.

A lot of centres are becoming very conscious of all costs, so there are fewer staff being released for training and resourcing purposes. As a result, the RATAs are being asked to come out more and provide more direct services to the child care centre themselves. That is fine. I think it is a great thing and our unit is responding to that, however the cost shifting is quite phenomenal too because you are looking at suddenly taking a service that you are expecting people to come in for—into a RATA—out into a field. That obviously is shifting costs from the field, which would have taken responsibility for those costs, to the RATA which would now have to pick those costs up.

Once again, there is the issue of translated materials: we have a very strong suggestion for the Commonwealth to look at providing much more of the information, when these changes are coming into play, in bilingual format, particularly forms that parents are filling in. If it is possible to produce standardised forms in bilingual format for these parents, it would be a huge help for them and for us when we are helping them fill them in. That is about it.

**CHAIR**—Thank you, Ms Nadas.

**Mrs Lyall**—We will go on from there. I have some points which I hope to cut out so as not to cover areas that have already been covered. We maintain that child care is a basic educational right and that child care is a community responsibility, particularly with the greater mobility of families.

Whatever the arguments that the federal government may make, in interviews with child care centre operators, both community based and private, the overwhelming evidence is that we have found that child care costs more now for the individual woman or family. In looking at child care centre operators, I basically got most of the information from one who operates a community child care centre but who has responsibility for an area that stretches from Ashfield to Gin Gin to Southern Cross, and an operator who operates a private child care centre, and has done for a very long time, a very well-established one in Doubleview.

These two major people are concerned about a number of issues. The family as a social unit is becoming extremely isolated and more vulnerable. A whole economic loop that begins with women going back to work and employing people—child care workers, house workers—and their consumption is at risk of being strangled, and careers are being broken and lost. Women can no longer stay in a job. Maybe they are not jobs that some people would call careers but they are careers to those people and they cannot afford to have broken careers. Children's development is being compromised.

I will try quickly to go through some 17 main points that we have got from that. Grandparents are increasingly being relied by for parents; many do not want this and do so

grudgingly and know they cannot look after children very well. Some pay for child care for their children's children. Some parents have found the application forms incredibly difficult to fill out for various reasons, and rather than go through the humiliation of doing that, they are simply not filling them out.

One community based child care centre has lost \$70,000 of its budget of \$450,000. They have had to cut down on meals and the staff have to do the cleaning during the day, which means they are losing a minimum of two hours contact time with the children, because they are simply doing the cleaning, the loos and so forth. What is happening in some child care centres actually contradicts Mr Swan's evidence in that it would appear that some child care centres are getting rid of their cooks and they are insisting on children bringing their own meals which has got a whole lot of attendant problems, such as hygiene, keeping the meals and so on.

The funding cuts have resulted in people leaving the child care industry. Seeing the end of funding and the cuts to the centres, senior people are getting out. They are getting into the Education Department, independent schools or back to TAFE for lecturing, but many are leaving, and these are the senior workers in the area. Considering that there is a big backlog of very inexperienced and new people coming on stream, it is really important that those experienced people be there to temper that.

The point that was repeated by those two main sources and other child care centres is that parents are withdrawing from using child care centres; that the low-income families cannot afford the increases in costs. Family day care has not been cut; it is a reasonably good service but it is susceptible to problems in that it is usually operated by one woman. If she is sick or has a family crisis it is awkward for everybody.

Community child care centres should be maintained, we believe, to serve as benchmark establishments to set the standard. For example, if there is a new approach or a modified approach that has been researched as being appropriate, then it is appropriate that the community based centres should trial those first under controlled conditions. Private centres, we believe, are perhaps not well situated to be encouraged to be experimental or innovative, although many of them are.

Child care centres serve for many families the role of extended family. When mothers are very new to the job they need input; infant welfare nurses are not enough. They form friendships for their children and friendships for themselves and they get input assistance and emotional support in rearing their children. Some grandparents have openly admitted that they were parking the kids in front of television just to give themselves a break when granny is being the child carer. They know that is not right, and they would really rather not do it but they have to do something to take up the slack for their children.

At the Midvale Community Child-Care Centre the cost is now \$10 a day minimum. Most people would think that is not very much. If you are living on a pension, trying to get education or training as a single parent, that is a heck of a lot; \$52 a week is a lot of money. They simply cannot afford private child care centres.

Another hidden cut has been the withdrawal of the fringe benefits tax exemption from employer provided child care. That has not been strong in Western Australia. Some small law firms, I was told, have tried either to establish small child care centres or to buy places in child care centres to provide them for young women lawyers, but the FBT has made it difficult for them. As previously mentioned the \$30 disregard of income has posed a problem.

There has been a cut in hours of respite care for children who are handicapped. That has been cut to 20 hours a week. That has probably had a difficult effect on parents who have to cope with a handicapped child. It has also affected the work; child care centres tended to have specialist carers. Those positions have been cut so an average of 1.9 carers per centre for handicapped children have lost jobs. Having been a sole working parent I know that after school and before school care is just a nightmare, and to cut that is really difficult. There have been far more child care centre closures in Western Australia which reflects an alarming lack of planning and responsibility. In my own area the location of a fast food outlet attracted far more concern from the local residents than child care centres. Are we going to the McChild era? The licensing authority and local government have to share the responsibility for that. They have simply not, I believe, been responsible in that children need consistency and stability. If child care centres are closing down it is not good for kids and it is not good for parents. They have had to cut their staff. The privately owned centre used to have a full-time pre-school teacher, it used to have, where English is a second language, a LOTE program, languages other than English. Those have gone and it is a shame because those two language areas are things that enrich our culture very much.

With the closure of child care centres there still has not been very much regard paid to planning, and maybe some of those centres will need to be reopened; it has been a very haphazard process. This is very difficult. Anecdotally it has been suggested that there is perhaps a process of laundering money in child care centres. That is extremely difficult, I realise that. A whisper can become a mutter, which will become a mumble which can become a roar. I do not quite understand what is meant by laundering money, but a child care centre, heavily subsidised—I can see the look of bewilderment on your faces.

**CHAIR**—Laundering money has a particular meaning in criminal/financial circles. Are you making allegations of that sort?

**Mrs Lyall**—Yes, illegally acquired money being used to operate—

**CHAIR**—Making dirty money clean.

**Mrs Lyall**—Yes.

**CHAIR**—Are you saying that is going on in child care centres?

**Mrs Lyall**—I am saying it has been suggested that there is a modicum of information from some people—

**Senator KNOWLES**—Only in Western Australia?

**Mrs Lyall**—I did say I appreciate that this is a very difficult matter.

**Senator KNOWLES**—Mr Chairman, I want to put on the record—

**CHAIR**—Thank you, Senator Knowles.

**Senator KNOWLES**—I am allowed to speak.

**CHAIR**—Senator Knowles, you are not. You do not have the floor. I have it. Mrs Lyall, if you have any hard evidence of illegal or laundering activity of moneys in this state, it is appropriate to refer that to the police, the proper authorities. Anecdotal suggestions of that in this committee without any firm evidence is not assisting this inquiry. I suggest that be referred to the appropriate authorities.

**Mrs Lyall**—Thank you. If that has caused any embarrassment to the committee and its members, I do apologise.

**CHAIR**—Please continue, Mrs Lyall.

**Mrs Lyall**—That is all.

**CHAIR**—Thank you. Ms Hartley.

**Ms Hartley**—I did not come here prepared to speak because I thought my colleague would be the main contributor, but I have been involved with children and child care for 40-odd years. At one time in my career I was a child care sister in several areas, and an educator in that area as well. I was very active in the 50s lobbying to have the Child Care Services Act passed in this state where it spelled out the conditions that a child care centre would be licensed. I think we were the first in Australia to spell out the conditions.

Quality care, which at that time we recognised, related to trained staff in relation to the number of children, and that area was researched very well in Queensland. It was a very long-term study and it reinforced our ideas at the time that quality child care was based on the ratio of trained staff to the number of children, depending on their age. I am pleased to say that we have not had the tragedies in this state that we have read about that have occurred in other states.

I have personal experience with my grandchild. My daughter's husband had a tragedy that affected him and she had to go back quickly to teaching. She had a mortgage to pay and this three-year-old child to take care of. In 1990 it was \$135 in a community based child care centre. I took him for two days—backing up the mentions of grandmothers and grandfathers coming to the rescue—and that reduced her fee then in 1990 to \$85, plus we had to contribute one or two pieces of fruit a day. But they did get a hot meal and they did sit down and learn socialising manners at the table, and the meals that were cooked there were fine.

The last point I want to make is about the Women's Electoral Lobby. In 1972 and 1973 in this state I was a founding member. One of the main issues for women was child care, so

women who had skills would not lose them, that women who wanted to go back to education could; that they could take, as they did at the time, a responsible share of the cost of buying a house, of maintaining the family, and it is my view now that this taking away of the administration subsidy is an attack on women, to drive women back into the homes so that men might take their place. That is it.

**CHAIR**—Thank you, Ms Hartley. We will now go to questions. Senator Knowles.

**Senator KNOWLES**—Thank you, Mr Chairman. Ms McFarlane, I have a number of questions that I would like to ask you on your submission, and my first question actually is directed to you and to Mrs Lyall. You have both claimed that there have been in excess of 30 closures here in Western Australia. Do you have a list of those closures?

**Ms McFarlane**—No, but there was an article in the *West Australian* at the time our submission was due in and we drew from that. We also rang up the child care licensing unit of Family and Children's Services and asked them for some information and details, because we thought it would be good to attach to the submission, and they could not provide us with anything off their database.

**Senator KNOWLES**—So you have just believed the press report?

**Ms McFarlane**—We believe everything we read in the *West Australian*

**Mrs Lyall**—Actually I did not put a number on the number of child care centres.

**Senator KNOWLES**—You said many had closed.

**Mrs Lyall**—Many.

**Senator KNOWLES**—How many do you think have closed?

**Mrs Lyall**—My information has been from the proprietor of a private child care centre, who in turn got information from their association. At that stage she said it was 27, and she was not sure how many of those were community based and how many were private.

**Senator KNOWLES**—Can I say that as of March, which is the latest figure available which I got from the department today, there has been a net gain in Western Australia of three centres. So for the line to be peddled that there massive closures in Western Australia is just simply wrong, and I was interested to know where you had got your information and the details, because that does not marry up with the centres that are actually registered and have been opened in the corresponding time.

The second question I have for Ms McFarlane. On page 3 of your submission you state that staff had not been paid entitlements due like holiday pay and so forth and so on. Could I ask you why that is so, because the centres are incorporated bodies, they have been given money to ensure that they manage their own affairs. Are you saying in your evidence here that they have broken the law in not having those funds available to pay the staff?

**Ms McFarlane**—The staff who rang us—some worked in community based centres and some were in private centres—are the kind of clients we get at our agencies, the community legal centre. The people were not members of a union, and when they need help they tend to ring their local community legal centre. We helped two or three of these people write letters of claim on their committees or private employer to claim their just entitlements. Some of the problems apparently came about when some of the centres tried to keep operating past the time that was financially viable and by the time they closed down the staff members did not get their full entitlements. In two cases we helped a staff member lodge for unfair dismissal, because of inadequacy of the notice given.

**Senator KNOWLES**—But do you recognise that it is breaking the law for these people to actually not have the funds available when they have been given the funds—

**Ms McFarlane**—Yes.

**Senator KNOWLES**—and that it is not the government's fault. The government does not run these centres.

**Ms McFarlane**—No, and so one of our strategies with people when they ring us is to get them to ring Family and Children's Services, the funding bodies, the Commonwealth Department of Human Services and Health, which is the other stakeholder in the funding arrangement, and raise these issues. But when the client comes to us, our concern is to try and help that client get their just entitlements, and yes, that is why we lodge in the Industrial Relations Commission or write letters of claim, because it is actually a breach of industrial relations law. But the issue of helping a client take action against a committee when something has closed down is not something that we usually pursue with people, because we have an ethical dilemma. We found on one occasion that the child care centre management committee of one centre had actually rung us for advice and had been advised by one worker, and another worker was dealing with a staff member from that centre, so we found ourselves in a conflict of interest. Our main concern is to help the person who rings us immediately in a practical way.

**Senator KNOWLES**—But you must admit that in a submission to a Senate committee you are implying here that somehow or another the government has to be responsible for entitlements to staff.

**Ms McFarlane**—Yes. We think the government needs to be aware these are the kind of things that happen, what has happened with the child care funding rearrangements for subsidy cuts.

**Senator KNOWLES**—But these are incorporated bodies that are running their own show.

**Ms McFarlane**—Yes.

**Senator KNOWLES**—Why are you stating here that somehow the government then has to bail them out and be responsible?

**Ms McFarlane**—We think on one level the government is responsible because the government is responsible for the funding arrangements.

**Senator KNOWLES**—But they have already given them the dough.

**Ms McFarlane**—Yes, and the government is responsible for the need based analysis, and some of what we observed seemed to be happening in the growth of child care centres. I will just quote to you from the miscellaneous workers union submission. Their figures, if we can believe them—they might be as credible as the *West Australian* figures—are that community based child care numbers stayed pretty static, but the private child care centres rose from 160 in 1993 to 261 in 1998, and our observation was that the lack of needs based planning allowed in some areas an oversupply of centres, and this led to the problem of underutilised centres, centres having financial problems, and centres closing down. Our view is that if the government is going to have funding programs, they have got responsibilities at the number level about what happens when they change the arrangements and centres fold.

**Senator KNOWLES**—That was exactly what was put in place, precisely that; financial advice systems were put in place. Only about 60 per cent of the centres have taken up that offer. You have put it in here as a claim against the government, but the point that you have just raised in terms of areas of need is exactly the point in terms of the closures. The openings and closures have occurred to fit in with areas of need, but you state in your submission here that you have been worried about this for three years. Did you raise it with the previous government?

**Ms McFarlane**—We have been raising issues like this since—I have been at the agency since 1992—since 1992.

**Senator KNOWLES**—But did you raise these issues directly with the previous government?

**Ms McFarlane**—Well, we are—

**Senator KNOWLES**—The closure and pending closure problem?

**Ms McFarlane**—We have been party to a number of community consultations organised by the state government where we raise our concerns as an agency about our observations of some of the problems in the field. We do not always write to government directly, saying, ‘This is it.’ We tend to be part of the community consultative process.

**Senator KNOWLES**—But did you also write to the previous government about targeting of assistance or the oversupply in certain areas?

**Ms McFarlane**—No, but we certainly had a say at some of the community consultations about our views on the needs based planning that needs to occur. We do not always write to government about things. We are part of processes, like community consultations.

**Senator KNOWLES**—Yes, but you are the Labor candidate for one of the federal seats.

**Ms McFarlane**—I am appearing here as a representative of the Welfare Rights and Advocacy Service.

**Senator KNOWLES**—No, but you are the Labor candidate for one of the seats. I am just asking you whether or not—

**Senator NEAL**—It is completely improper.

**CHAIR**—Order!

**Senator KNOWLES**—No, it is not.

**Senator NEAL**—It is.

**CHAIR**—Order!

**Ms McFarlane**—I am here as a representative of the Welfare Rights and Advocacy Service. I am not here in any other role. I am on a number of committees. I have been on child care committees. I am not here as a management committee member of a child care centre.

**Senator KNOWLES**—No, that is fine. In your submission here you say that you have had these concerns for three years. I am just wondering what you have raised with the Labor Party, considering your close affiliation with them—

**CHAIR**—Order! Senator Knowles, order, please. It is not appropriate in this committee under the standing orders to reflect upon the party political affiliation of witnesses.

**Senator KNOWLES**—Which standing order is that?

**CHAIR**—The standing orders you are familiar with. It is repeatedly raised.

**Senator CHRIS EVANS**—Common courtesy would be the starting point, Senator Knowles, I would have thought.

**Senator KNOWLES**—Which standing order?

**CHAIR**—Senator Knowles, I have just told you it is not appropriate to reflect on witnesses' party political affiliations.

**Senator KNOWLES**—I am just—

**CHAIR**—It is none of your business, in other words. It is their right.

**Senator KNOWLES**—Mr Chairman, I would appreciate it if you would stop your bullying tactics.

**CHAIR**—That is not bullying. You are attempting to bully the witness, Senator Knowles. Ms McFarlane's party political belief is a matter for her, not you.

**Senator KNOWLES**—When you are finished I will go on.

**CHAIR**—You go on.

**Senator KNOWLES**—You have finished?

**CHAIR**—I am telling you to stay away from the areas of reflecting upon—

**Senator KNOWLES**—You have finished?

**CHAIR**—the party affiliation of individual witnesses.

**Senator KNOWLES**—When you have stopped lecturing and dictating, I will continue. Until that stage, I will not—

**CHAIR**—Well, if you do not want to continue, we can go to a number of other senators, Senator Knowles, if you do not wish to continue.

**Senator KNOWLES**—I have further questions—

**CHAIR**—We are happy to go to a number of other senators.

**Senator KNOWLES**—I have further questions when you have finished.

**CHAIR**—Stay away from that area, Senator Knowles.

**Senator KNOWLES**—I have further questions and I will ask questions that I believe are very feasible to ask, and I am asking—

**CHAIR**—Well, if you ask questions in that line, they will be ruled out. Proceed, Senator Knowles.

**Senator KNOWLES**—Can you stop interrupting.

**CHAIR**—Senator Knowles, do you wish to ask questions?

**Senator KNOWLES**—Yes. Stop interrupting.

**CHAIR**—Proceed.

**Senator KNOWLES**—Are you going to interrupt?

**CHAIR**—Senator Knowles, proceed.

**Senator KNOWLES**—Right. Now we get back on to where we were.

**Ms McFarlane**—Can I just point out something to you I found in the miscellaneous workers union submission? Their list said 23 centres had closed down. They have got Princess Lily as the 24th, and that did actually close down in March, so it is just confirming that what I read in the *West Australian* must be true. It is in other documents.

**Senator KNOWLES**—What source is that?

**Ms McFarlane**—This is in the Australian Liquor, Hospitality and Miscellaneous Workers Union submission.

**Senator O'BRIEN**—You have got it in your folder, Senator.

**Ms McFarlane**—It actually lists them.

**Senator KNOWLES**—So their figures would be more correct than the figures that I got from the department this morning? Is that right?

**Ms McFarlane**—Absolutely. I think there is a difference between what centres have closed down and what ones opened—

**CHAIR**—Senator Knowles, we do not have the figures before us that you are referring to. We do not know what they are.

**Senator KNOWLES**—If you hold your horses I will read them out to you.

**CHAIR**—Would you like to table them, Senator Knowles?

**Senator KNOWLES**—No, I would not.

**CHAIR**—You would not like to table them?

**Senator KNOWLES**—I would like to read them out to you. If you would stop bullying me, I will read them out.

**CHAIR**—Senator Knowles, you are the arch bully on this committee, and you know it.

**Senator KNOWLES**—Just stop your conduct. Keep yourself in check.

**CHAIR**—Senator Knowles, would you like to provide the evidence to the committee? No-one else knows what you are talking about.

**Senator KNOWLES**—I will go on when you have finished. I am not going to continue, Mr Chairman, while you continue—

**CHAIR**—You do not wish to continue?

**Senator KNOWLES**—I am not going to continue while you conduct yourself in this manner.

**CHAIR**—Senator Neal.

**Senator KNOWLES**—I have questions here that I will continue to ask without your interruption.

**CHAIR**—Senator Knowles, the problem with that is that you have evidence there provided by the department that you are not providing to anyone.

**Senator KNOWLES**—The openings of these centres, the community based long day care centres, have been seven. The openings of private centres have been 12, which creates a total of 19. The closures in the community based long day care centres have been nine, the private centres seven, a total of 16 closures. Now, my elementary maths tells me that if you take 16 closures away from 19 openings you get a net increase of three. That is the figure provided.

**Senator CHRIS EVANS**—We still have 16 closures.

**Senator KNOWLES**—But that is the figure for that.

**Ms McFarlane**—But each of these centres that closed has an impact on the community and does cause stress and trauma in the lives of the children, the parents, the centre management and the staff. So government does fund these programs, and isn't this what the inquiry is about, of governments coming around and seeing what the impact of the changes is to child care funding cuts?

**Senator KNOWLES**—Precisely.

**Ms McFarlane**—Isn't that an impact?

**Senator KNOWLES**—They have been closed in areas where there is an oversupply. They have been opened in areas where there is an area of need.

**CHAIR**—Order!

**Senator KNOWLES**—Western Australia is the classic example. The government has put in an 18 per cent increase in child funding allocations.

**Senator NEAL**—Point of order, Chair.

**CHAIR**—Point of order, Senator Neal.

**Senator NEAL**—I am sure all this information will eventually be very useful when it comes from the department, but it is really very difficult for other members of the committee. Firstly, we are really not here to take evidence from Senator Knowles. If she has information from the department, I assume they will incorporate it in the evidence they provide to us when we have our hearings in Canberra, but for Senator Knowles to actually give evidence is highly improper, particularly when other members of the committee cannot actually test that evidence. What I prefer to do at the moment, Chair, if we could, is deal

with the evidence of the witnesses that we have before us, and deal with the departmental evidence when they come before us in Canberra.

**CHAIR**—Yes. Senator Knowles on the point of order?

**Senator KNOWLES**—I am entitled to challenge the witnesses on evidence that they have provided. I am continuing to do so, and if the Labor Party will enable a senator on this committee to inquire about the evidence that has been given without question—that I cannot somehow question the judgment and the basis of these allegations—it is just preposterous, absolutely preposterous.

**CHAIR**—I would like to rule on the point. Have you finished?

**Senator KNOWLES**—Mr Chairman, I just find the conduct of this appalling.

**CHAIR**—Thank you for that gratuitous combination at the end, Senator Knowles. On the point of order, there is evidence before the committee of a range of closures and openings in a range of states, and particularly in this state, and that evidence is before us and it has been received, and you are entitled to question witnesses on that.

**Senator KNOWLES**—Thank you.

**CHAIR**—The second point I make is that for the department to provide you with particular advice, and not to provide it to other members of the committee, seems to me verging on partisan behaviour by the department, and it makes the job of all senators difficult in carrying out their responsibilities to inquire into the facts as well. I see there are departmental representatives in the public forum observing the proceedings, and it would be most useful if those departmental representatives could go back to their minister and ask him for authority to give to all members of the committee the information that has been provided to Senator Knowles, so that Senator Knowles is not the only person who has access to all of the facts and figures. I would ask those departmental representatives to make that inquiry of the minister and respond to us this afternoon with that information.

**Senator KNOWLES**—I have been provided the information because I got off my tail, because I have read the submissions. I cannot help it if you have not done the same thing. I have inquired of the minister's office, the minister's office has made an inquiry of his department, and I am quite able to make those inquiries, having read these. I have a question that I wish to ask as well.

**CHAIR**—Senator Knowles, in response to that, a number of other senators have asked for the same information and it has not been delivered to those senators. That is the point. It appears that government senators are receiving advice, and non-government senators are not receiving that advice. We have made the formal request to departmental people and we expect a response from that early this afternoon.

**Senator KNOWLES**—Welcome to opposition.

**CHAIR**—Your time is about to end, Senator Knowles.

**Senator KNOWLES**—If you would keep quiet I would be able to go on. The WEL submission has actually stated that cuts to child care disadvantage the poor and advantage the rich. Could you tell me exactly how that has happened?

**Mrs Lyall**—Rich and poor are very relative terms. However, if one is living on a pension, be it because one's child is severely handicapped and one therefore cannot work or be it a single parents benefit or an allowance that is permitting one to train, that is a very low income. Ten dollars per week is a very expensive thing to spend money on, therefore a very high proportion of their income is spent on child care.

**Senator KNOWLES**—How many people have gone out of the workforce as a consequence of these changes? How many women in particular?

**Mrs Lyall**—I do not know exactly.

**Senator KNOWLES**—Do you believe there has been a reduction?

**Mrs Lyall**—Yes.

**Senator KNOWLES**—Why?

**Mrs Lyall**—Largely because we have been contacted by women, and as I mentioned to you, the contact I had with a senior worker in the area of child care service provision, and the private child care workers.

**Senator KNOWLES**—Would it surprise you—and I will ask the secretary of the staff to hand this over to you—to know that since January 1995 to February 1998 the women's labour force participation rate has been 59 per cent?

**Mrs Lyall**—That may very well be the case, but it does not address the issue of the differential between low-income workers and middle-income workers.

**Senator KNOWLES**—The fact of the matter is that the participation rates have not altered. In the evidence that you have given you have said that it has altered, and I would like to know where it has altered and where the participation rates have fallen.

**Ms Nadas**—The participation rate of women that are having families may have altered. There are always young women coming into a workforce; however, the women that are choosing to have their families, who would have been using child care and continuing to work—their participation may be affected. I would love to see the stats on that.

**Senator KNOWLES**—We are constantly, daily, given information here that that has changed, that real growth in government outlays has gone down—that is the graph—and I am just asking, based on this information here.

**Mrs Lyall**—Taking gross figures of this kind does not show fluctuations by various levels of income, occupations and so forth. That very much flattens out the extremes of rich and poor, of high levels of income and so forth, so that may very well be the case. But we

contend that women of low income, of very low income, are being disadvantaged based on the figures that are given us by the child care centre operators and workers.

**Senator KNOWLES**—Do you in fact advise some low-income workers to give up work because they cannot afford child care?

**Mrs Lyall**—Of course not.

**Senator KNOWLES**—Why do they do so? Would it not be better for you to advise them to keep working, because a part-time worker, sole parent with one child, for example, can actually end up \$7,000 better off if they stay working. If they are full time they actually end up \$9,000 better off, but unfortunately a lot of these women are giving up work. Why do you think that is desirable?

**Mrs Lyall**—When it costs more in child care than you are going to earn, then you stop work. It is as simple as that.

**Senator KNOWLES**—I could not agree more, but if a full-time worker is earning \$27,000, once you get all of the other entitlements, including child care and everything else, and the additions and deductions, the net income is \$24,800. If they are part time, on a \$16,000 income, for example, the net income would be \$22,500. But if they are not working, they give up work because child care is too expensive, they end up with a net income of \$15,500.

**CHAIR**—Senator Knowles, I am sorry to interrupt you, but it is difficult for the witness to answer questions when you refer to detailed material that you have before you in a folder, but you have not had the courtesy to give it to the witness so she can look at it. It is very difficult to answer those questions.

**Senator KNOWLES**—Excuse me, but I do not notice that you give me your material that your staff prepare for you.

**CHAIR**—I am not asking for it for myself; I am asking for the witness to look at it.

**Senator KNOWLES**—The witnesses can have a look at it if they want.

**CHAIR**—Would you like to make a copy available, please.

**Senator KNOWLES**—They can have a look at this. There is no problem with that at all.

**CHAIR**—Why don't you make it available?

**Senator KNOWLES**—They can. Stop badgering. I have offered and they can. I am not going to hand over the file that my staff have done to you.

**CHAIR**—No.

**Senator KNOWLES**—You do not need it. You can get your own staff to do it.

**CHAIR**—I did not ask for your file.

**Senator KNOWLES**—So therefore I simply ask you why it would be advantageous for someone to end up with a net income of about \$15,500 as opposed to a net income, if they are part-time workers, of about \$22,500, or a net income of a full-time worker of \$24,500?

**CHAIR**—Before you answer, Ms Lyall, would you like to have before you a copy of that material from Sue Knowles?

**Mrs Lyall**—My answer was going to be, firstly, that you have the advantage of those figures before you, but what is being ignored in this issue is that for a woman to go to work there are more costs than child care. There are costs of clothing; there are costs of—

**Senator KNOWLES**—What—they do not wear clothes if they do not work?

**Mrs Lyall**—I beg your pardon.

**Senator KNOWLES**—They do not wear clothes if they do not work?

**Mrs Lyall**—The costs of clothing to go to work are very much higher than the jeans and t-shirt to stay at home. They need more of those clothes. They need to be cleaned. They also need transport. The running of a household takes time. If one is at home as a full-time housekeeper, one can do a lot of things that are additional to economise—for example, making jam and your own cakes and sewing all the kids' clothes. There are actually a lot of hidden expenses in going to work. Last, but not least, is meal preparation. Cheaper meals take longer to prepare and, if a working woman comes home tired and the children are tired and the family is tired, to prepare a meal costs quite a bit if you are going to get the more expensive cuts of meat, the more expensive vegetables. Believe me, I have worked, supporting a sole family and I know that it costs a lot of money to actually go to work.

**Senator KNOWLES**—Why do you need more expensive cuts of meat and more expensive vegetables because you are working?

**Mrs Lyall**—Because they cook quicker.

**CHAIR**—Senator Knowles, we might go to another questioner.

**Senator KNOWLES**—Children over 12, you see—

**CHAIR**—Senator Knowles, we are going to stop your questioning for the time being and come back if there is time at the end. You have had the floor for something in excess of 25 minutes now.

**Senator KNOWLES**—No, I have not. You have interrupted it for half of it.

**Senator NEAL**—I am particularly interested in the impact on women that you were talking about earlier, and I do not want to revisit at length the same area, but just in relation to the participation rate of women. Excuse me if I have not provided a copy to you, but I have not actually got a copy—I will provide it to you afterwards if you would like to have a look—but there was an article in the *Sydney Morning Herald* last month by Tom Allard and in fact the *Sydney Morning Herald* actually paid for some figures to be done for women's participation rate because there are no published figures in this area. You can get them for a year but you cannot get them for smaller portions than a year. I will just read an extract from that. It says:

The labour force participation rate for women with children under 15 has fallen from 59.1 per cent in March 1996 when the coalition came to office, to 58.3 per cent in February, unpublished seasonally adjusted figures from the Australian Bureau of Statistics show.

That is not a huge drop—it is only about 0.8 per cent—but there has been a small decrease in recent times, just to give you a contrast to the views put to you earlier. You are probably aware yourself, being involved in WEL, that the participation rates for women in fact were dramatically increasing over the last few years, before about 1996. I suppose that is also something that needs to be taken into account when analysing figures.

Both you and Ms Hartley said that you believed women were being encouraged to leave the work force. Did you actually mean by that that you believe the changes in child care policy were encouraging women to leave the work force?

**Ms Hartley**—I would say the administration costs have necessitated an increase. The mother has to provide a meal. I do not know if you have ever gone to work and had small children and had to prepare a balanced meal and put it in a lunch-box, plus your piece of fruit for morning tea, and rush off. I think even in the community based care centres the midday meal is threatened, if it has not already gone.

**Senator NEAL**—Sorry, I might clarify my question. I do not think I have really explained myself very well. Both of you made statements earlier that women were being discouraged from working. I just wanted to clarify exactly what you meant by that. Did you mean that this government's child care policies were discouraging women from working? Is that what you meant?

**Mrs Lyall**—I do not think I said that explicitly, but I certainly implied it.

**Senator NEAL**—I know you did not; that is paraphrasing it.

**Mrs Lyall**—You have got to distinguish between an active disincentive and a negative disincentive. The concern that the working parent, the working mother, has for child care services occupies her mind very powerfully. I think that anxiety about child care provision has got a very powerful influence on women. The quote of \$27,000 a year would for many women be a high income. A lot of women work for considerably less. When you have got the actual costs, plus the anxiety costs, and you are just breaking even, the temptation to pack it in and give it up is very high. So, yes, I do think that it is a disincentive. It can, as the women that I speak to say, be the fact that the increased costs can be just too much.

**Senator NEAL**—Particularly talking about women not wanting to leave the work force and breaking their careers, what do you see as the particular difficulty for women who do leave the work force, for even relatively short periods of time?

**Mrs Lyall**—Just getting back in. In many career lines that are traditional to women—teaching and, to a certain extent, nursing—that broken career is the end of a promotional scale. Many women have resigned from teaching when they were engaging in full-time child care, have spent 10 to 15 years as relief staff and temporary staff. They are out of the promotional or career structure; they are temporary workers denied all the benefits that go with even temporary one-year contracts.

**Senator NEAL**—So you mean you lose things like job security, superannuation.

**Mrs Lyall**—Seniority entitlements.

**Senator NEAL**—So your income is relatively lower.

**Mrs Lyall**—It relegates women to a second-class level of career, if you can call it a career. The other thing I did not mention but meant to bring into the discussion was that we have got the very high price of housing, the high cost of children, the broken career, and very shortly we are going to have people entering the parent stakes who are going to have to pay back HECS debts, which is also going to be a disincentive to child bearing. A lot of women are delaying their child bearing until their late 30s.

**Senator NEAL**—Do you think the changes in child care over the last two years have increased the choices that women have about working or staying at home?

**Ms Hartley**—I would support that. I have got several friends who are on the lower income basis for women. What they are hanging on for is not to lose their skills, with the rate of change in their work force, and their self-esteem. When a woman comes out of work and loses several years of employment or the job is shut down—I have a friend whose job has shut down and she has had to go looking for work—her self-esteem as a valued worker of the work force falls and she has to face a market where there is a lot of competition, especially from younger women coming out of education.

**Senator NEAL**—I think you are actually answering the question before rather than the one I just asked. Thank you for that contribution but if I might just get a response to the question I asked.

**Mrs Lyall**—Over the last two years I think that there has been increased anxiety and that has had an impact. I think the change in work patterns has increased the level of anxiety about child care and I do believe that has had an impact on women remaining in work.

**Senator NEAL**—But do you think the changes in child care policy over the last two years have increased women's choices or decreased women's choices in terms of whether they work or stay at home?

**Mrs Lyall**—Quite clearly the information that has come to us through these people is that it has not increased their choices. It has increased the choices for those who can afford it; for those who cannot afford it the choice has disappeared.

**Senator GIBBS**—Just a few questions, Ms McFarlane. I am a bit worried about these children who are being left home alone. Do you have numbers of this that you can give us or have you seen a marked increase in complaints on this issue?

**Ms McFarlane**—We do not keep numbers on this. We keep our own agency stats on what kinds of inquiries we deal with. We do an evaluation every three months and we have to put in a plan for our funding and when we sit around looking at what kind of advice we should be providing to the community, what kind of information or education sessions we should be providing to the community, one of the things that we are getting increasingly concerned about is the increasing amount of requests we are getting, as I said, from good neighbours who ring us who are concerned about a situation they notice in their street or next door of children being left alone.

As I said, there are child protection issues there. It is a very sensitive issue, and we have to give people information about what is available. We do it often with great trepidation because we also then, as I said before, get the parents who ring us who have had Family and Children's Services visit, and that leads to stress because they see they care for their children very well, and then they have a great fear that they are going to lose their children and they will become state wards. Then we have to calm and reassure those people and then try to work with them to find some way of resolving their problem.

In two cases the families lived in a neighbourhood where an out-of-school-hours service had closed down, so what we tried to do was link them into family day care and local services, and with one of those families we helped the child transfer to a school which had an OOSH service come to it. That took two months of negotiation through the education department because of this issue of boundary lines, where children must attend their local school. As a community legal centre we deal with people in all aspects of the problem but we have noted—I cannot give you firm stats on that, which will probably disappoint Senator Knowles terribly—an increase in this number of inquiries over the last two years.

**Senator GIBBS**—So these are basically children who go to school and then afterwards have nowhere to go.

**Ms McFarlane**—Yes, they go home. A lot of the strategy is done by parents—things like ringing their child on the hour every hour to make sure they are still at home and they are all right or they have not got friends in playing or whatever. But, from a neighbour's point of view, when you have got primary school children—because the OOSH service, as you know, is only for primary school children—at home alone, there are often little incidents and things happen and that is when the neighbours notice.

Then the neighbours get concerned and it comes from two aspects; one about their own responsibility if something goes wrong—that they noticed and did not do anything about it—and the other one of embarrassment: they do not know the neighbours very well. Should they intervene? It is none of their business; should they stay out of other people's family life? So

when people ring it is usually in the line of an inquiry, and sometimes it is from the point of view of what is their legal responsibility in this situation or should they report them to Family and Children's Services, or who should they report it to. That is their concern.

Often the situation has arisen because of the lack of child care services and the stretch on things. We have tried to link people into family day care and we find that family day care in our area, in the northern suburbs, has a waiting list. So you have got people who are trying to access child care in an area that has a waiting list, and then you have people affected because their local services close down. There is no replacement service because a lot of the private children's services are shorter hours, or they do not take after-school children or they have a limited number of after-school children. We make inquiries too and we are part of that community network, and through the various forums and through WACOSS we then raise the concerns about what we think needs to be in place to help people cope with their day-to-day lives.

**Senator GIBBS**—So these out-of-school-hours centres that have closed, is this widespread throughout Western Australia or is it in certain areas?

**Ms McFarlane**—Well, in defence of the *West Australian*, which we do love—we are trusting citizens in this state and anything the *West Australian* tells us must be true—in this submission, if I just read down a bit further, at 7.2 it lists six private services that have closed. I know two of them did have out-of-school-hours services. But of the ones listed over the page of the 24 that did close down, Manjimup was an out-of-school-hours service and that closed down. Two or three of them I know did take out-of-school-services. Now, they seem to be scattered all around Perth metropolitan area or Manjimup which is on the fringe of Perth.

Most suburbs do not have an out-of-school-hours service, because they tend to be run by community based management. They tend to be every couple of suburbs, and they only feed into one or two local schools where they can provide transport for the children from the school to the thing, whereas preschool and long day care centres tend to be more one in every suburb; with a private centre in every suburb they are more available. But the out-of-school-hours numbers, I gather from Family and Children's Services, are very small.

**Senator GIBBS**—So these centres would not have been viable to stay open or they could not survive.

**Ms McFarlane**—From what I understand when the management committees ring us for help and advice, because they are having problems with their budget, they are not viable or they are trying to keep going, they are trying to fund-raise, they are trying to come up with strategies to survive, we have found that since the change in the subsidies it does seem to have had an impact. To us it is a bit bizarre that some centres like family day care have a waiting list and an out-of-school-hours service might be underutilised; in fact all its places might not be full, but the staff—and we can only trust and believe the staff—tell us that because the fees have gone up they have lost a number of children and they cannot replace those children from the pool of people in that neighbourhood who can afford the fees. So it seems to be the chicken and egg.

**Senator GIBBS**—Right.

**Ms McFarlane**—If you have got an underutilised centre and you have got children who need child care, what is the problem? Is the problem the fees? Is the problem the change in the subsidies?

**Senator CHRIS EVANS**—I just wanted to take Ms McFarlane through this question of closure of centres because I know a number of the auditors were a bit disturbed by the conclusions that were perhaps drawn from the questions about closures. Ms McFarlane, you are saying that the Miscellaneous Workers Union's submission lists at page 12 some 20-odd to 30 centres.

**Ms McFarlane**—30, yes.

**Senator CHRIS EVANS**—Obviously you cannot verify the list, as you did not compile the list, but I gather that from your personal knowledge you know that a number of these centres have in fact closed?

**Ms McFarlane**—Yes, and we gave advice to the staff or management committee of a number of those centres.

**Senator CHRIS EVANS**—In fact, if you look out the window you can see a for lease sign on the Florence Hummerston building, which is an example of one that closed very recently.

**Ms McFarlane**—That is right.

**Senator CHRIS EVANS**—I must say from my own personal knowledge I know a number of these which have closed. I think one of the points which Senator Knowles's questions went to is the fact that some other centres have opened. Are you aware of centres continuing to open in Western Australia?

**Ms McFarlane**—No, people tend to come to us with the closure problem, not with, 'There's a new centre opening in my neighbourhood.'

**Senator CHRIS EVANS**—Are you involved at all in the planning needs assessments for centres opening?

**Ms McFarlane**—No. We have views and comments on these but, as I say, it may not be a popular opinion. We have been a bit concerned about the lack of needs based planning because one of the pressures that we have identified from centres, particularly management committee or private centre owners, coming to us for help is another service opening in their neighbourhood, and the pressure then is that there are not enough children or enough families who can pay the kind of fees for the children involved. You could say it is sour grapes; one centre might be a bit concerned because another centre has opened in its neighbourhood. But to us, if a centre then closes down it may not be sour grapes, it may be based on the fact that two or three centres cannot operate in close proximity in the neighbourhood.

**Senator CHRIS EVANS**—Your submission was interesting because it comes from a different perspective. Whether the closure is because of market failure or competition or changed funding arrangements, the point you make is about the reality of people responding to those problems and having to deal with those problems. Have you got any suggestions for us in terms of how that might be better handled in terms of governments meeting the needs of centres closing or parents having to make alternative arrangements? It sounds like a number of these centres have closed at very short notice.

**Ms McFarlane**—Yes, which has affected the parents, the child and the staff. One of our concerns as a legal community centre is we are predominantly casework driven, and when a group comes to us to help we have to agonise over, ‘They’ve got money. How much money have they got and should we be helping them?’ But we have identified that there is a lack of some central point for centres to get help. If they have to close or they have difficulties, who is supposed to provide them with help—the funding body, Family and Children’s Services, who is sort of the umbrella; the children’s licensing unit of Family and Children’s Services?

Usually for centres, the management committee members will approach us. They are just ordinary citizens who are the parent of a child and they go on the committee because they are happy with their child being there and they want to contribute back to the community. They are often not people with legal knowledge or with understanding of industrial relations law or understanding the full gamut of employer responsibilities, especially if there are problems. Who is responsible for those people? Is it an issue of training that in the funding there should be factored in a component that management committees should be given training on site about their responsibilities as an employer and their responsibilities under the industrial relations act and their responsibilities as management of what is literally a small business? Is it the state government’s responsibility? Is it the federal or is it both because they are both stakeholders in the funding scenario?

As a centre that has to then try and provide some advice to those people, we have relied predominantly on private lawyers who provide us with pro bono services to give some help to a centre. We always do it with great hope that the centre will survive. But one of our dilemmas is, those people usually need the advice of an accountant, a lawyer, someone’s help to wind them up. They have usually gone to six different bodies like tax, FACS, the child care unit, the federal government, trying to get help on how they are going to handle their financial difficulties and close down. The help they get is minimal; they are usually told, ‘Well, you’re the management committee, you’re incorporated. It’s under the incorporation act, it’s your responsibility to handle it.’ Closing something down is not as easy as it looks.

**Mrs Lyall**—Could I just interpose there? The problem of closure—what defines closure? Does it mean they are not taking any children. Does it mean that they have handed in their licence? Until that is defined that question, I think, remains a bit difficult.

**Senator CHRIS EVANS**—Certainly I was using it with regard to stopping taking children. The thing is, I thought that was what child care centres were supposed to do. I just have one question of Ms Nadas. I think she raises the point, which was raised by the private sector as well, about the impact on the child care industry of changes by the state government of Western Australia to education for four-year-olds and others. I wonder if you would

like to expand on what you think has happened there and what you think we need to do to respond to that?

**Ms Nadas**—What I would like to see happen is for the Commonwealth government to look at extending inclusion and ESL support according to the age and across all sectors, whether the child is located in a preschool or whether the child is located in a child care centre: for that differentiation to disappear. We are locked out and there is a cohort of children that are in that age group that are slipping through the safety net that the Commonwealth government has in place.

The Commonwealth government traditionally has provided inclusion support through ECCRU for children aged zero to five in the children's services sector, and ESL support for children aged five-plus. The state government has taken over responsibility through their preschool programs for these children but they have not actually provided inclusion support, and ESL support consists of a visiting teacher once every couple of months. Parents are not able to communicate with the teacher, teachers are feeling very frustrated about not being able to communicate with the child, and parents are choosing this type of care because it is free.

If you are a non-English-speaking background person you do understand the difference between 'free' and 'costs' in a child care service and you will choose a free state service over a fee-paying one, but those children do not get support. That is what is happening right now, so basically I would like to see the Commonwealth government review that. It may cost the Commonwealth government \$80,000 a year, but I would like that provision to be put in place across all children from zero to 12, no matter what system they are in. That is what I think will resolve the issue.

**Senator CHRIS EVANS**—Thank you for that.

**CHAIR**—Thank you, Senator Evans. I would like to thank all of the participants for attending in the current session. The committee stands adjourned until 2 p.m.

**Proceedings suspended from 1.11 p.m. to 2.06 p.m.**

**CREED, Ms Helen Margaret, Secretary, Australian Liquor, Hospitality and Miscellaneous Workers Union, 61 Thomas Street, Subiaco, Western Australia 6008**

**ELLERY, Ms Sue, Industrial Officer, Australian Liquor, Hospitality and Miscellaneous Workers Union, 61 Thomas Street, Subiaco, Western Australia 6008**

**HOUSTON, Ms Patricia Anne, Member, Australian Liquor, Hospitality and Miscellaneous Workers Union, 61 Thomas Street, Subiaco, Western Australia 6008**

**MILLER, Mrs Angela, Member, Australian Liquor, Hospitality and Miscellaneous Workers Union, and Coordinator, South Lake Child Care Centre, 61 Thomas Street, Subiaco, Western Australia 6008**

**THOMSON, Ms Jennifer Lyn, Member, Australian Liquor, Hospitality and Miscellaneous Workers Union, and Manager, 61 Thomas Street, Subiaco, Western Australia 6008**

**CHAIR**—Is there any other capacity in which you are appearing?

**Ms Thomson**—I am also the manager of the Mount Lawley Child Care Centre.

**Ms Ellery**—I have particular responsibility for child care.

**Ms Houston**—I am an ex-employee of the city of Belmont child care centre.

**Ms Creed**—Thank you to the Senate inquiry for giving us the opportunity to make a verbal presentation in addition to our written submission. Unlike the situation in most of the other states you would have visited, the miscellaneous workers union is in fact the union representing child care workers. We cover everyone from the director to the cleaner and that full range of workers across the community based and private sector. We have a large membership in both sectors.

We recognise that you have conducted hearings already in Victoria, New South Wales and South Australia, so many of the issues would have been raised with you but I wanted to start by particularly drawing to your attention what we see as some of the key characteristics about Western Australia. As you will see in our submission, in pages 12 to 13 in relation to centres that have closed, and pages 14 to 16 about cutbacks in staff hours, we will put to you that the impact of the changes has been greatest on a proportional basis in Western Australia than other states. We have documented that information in our submission.

One of the other features about Western Australia is that we have traditionally been seen as having state regulations that are good regulations. We see there is a clear link between a commitment to quality care and having good regulations. It is important also to bear in mind that in Western Australia family day care is licensed through the same state act and, in addition, staffing for out-of-school-hours care is regulated through the award.

In addition, the union has a reputation—which I would argue is well deserved—for having achieved improvements in wages and conditions for child care workers in Western

Australia, yet all the direct-care workers are in fact entitled to the \$14 living wage increase that was granted yesterday. The \$14, you will recall, was granted to those who are generally seen as low-paid workers. So despite, as I said, what we have achieved in terms of improvement in wages and conditions, child care workers are still considered among the category of low-paid workers.

As you are aware, I have a number of people with me this afternoon and I could perhaps just touch on some issues you might want to raise with them. Sue Ellery, our industrial officer, was the union advocate who argued our redundancy case recently which inserted redundancy provisions into the child care awards. In contrast to most other redundancy provisions, they apply to all centres. In other words, the 15-worker limit that is a standard redundancy provision no longer applies in child care in Western Australia.

Angela Miller, as a centre director, has got a range of examples of changes that she has made in her centre to try and cope with the fee increases that have occurred in recent years. Jenny Thomson would particularly like to address the impact that these changes have had on staff and she indicated to me yesterday, in fact, that 50 per cent of her staff have no accrued sick leave because they have used it all due to the stresses that are being experienced.

Pat Houston is a very good example of what has occurred with a number of centres. She started out as a full-time worker and her hours have been progressively reduced in response to the funding changes that have occurred. We believe that there is a range of issues you may want to address with us. Can I conclude these opening remarks by indicating that we believe this inquiry is very important and that the issues that are very essential to come out of it are really issues of whether there is in principle support for a community based sector.

We believe that there is room for both the profit and nonprofit and that the community based sector does represent a particular and unique part of the child care industry. Historically in Western Australia the private sector provided services in Perth. Certainly until relatively recent times there were very few services, other than community based services, outside the metropolitan area. So we see again in Western Australia there has been quite a history in terms of the community services being provided out of the metropolitan area.

We also believe it is appropriate to review the kind of funding model that should exist. If you look again, historically there has been a variety of methods in the past. We have had a submission based process. We have had a needs based process. We have had a system of funding qualified workers. We have had a system of fee relief. So there has been a range and we would support the need for a new model of funding to be developed. We think it is important though, in that, that there are some fairly key principles that any model should be based on. They would go to things like a system that is simple to administer; that the money is provided to services rather than parents. Those sorts of principles should also be established.

Finally, we would like to make a very clear statement about the need for some kind of Commonwealth-state agreement on child care to ensure that there is a link between the planning of services, the licensing of services and the funding of services. Certainly, in our view, a lot of the problems that have been created in Western Australia are the combination of funding issues and cuts in funding. But licensing is a state government responsibility

which seems to bear no relationship to the funding. So we see that it is critical to have some kind of agreement between the Commonwealth and state governments to ensure that there is proper planning and provision of services. They are our opening statements, Senator.

**CHAIR**—Thank you, Ms Creed.

**Mrs Miller**—I coordinate a centre on the edges of Perth. I have been there since it opened in 1988. Initially it was a 43-place centre, then we increased that number to 47, then to 51 and then to 60. We always had waiting lists for our centre, particularly for babies. After around 1996 there was a proliferation of the private sector and six centres were built within a two-mile limit of our centre, plus there were plans for three more. I managed to persuade the council that this was not a good idea because the centres were going to be built directly under power lines. I felt that someone down the track would be possibly contracting childhood leukaemia or so forth. Nobody knows what the outcome of that will be.

We were always a completely full centre until around 1996. By ‘completely full’ I mean more than 100 per cent because we had changeover of children at lunchtime. We never had any funding problems whatsoever. We are a little bit off the beaten track. Unless you know where we are, you cannot find us. After this time, when these five centres opened they were able to offer care at low cost simply because I had retained all my staff. We have got a very stable, happy peace haven at South Lake and my staff want to stay there. We have lots of fun together. The children look on it as an extended family. I have got children now who have got brothers and sisters aged 10, 11, 12 and we have been a big help to all of them. I have been privileged to be part of that.

We have had to make a lot of changes because we have suffered from low utilisation. We went down last year, 1997, to 66 per cent utilisation. I did not replace two staff who left to have babies and I had to look at all the other staffing costs. One staff position was made redundant and that person loves her job and she felt that I had victimised her. I was very sad to have to do this to someone who is dedicated but it was the position that was redundant and not that the person was not a good caregiver.

We have been determined to adapt and evolve because I firmly believe that we all need to. We need to meet the needs of society. We are an 11-hour centre. We have to be 11 hours; it takes three buses to get into Perth from where we are. Therefore the 50-hour capping has been very difficult for us to accommodate and we have had to put that extra cost onto the families. We may not have many children who require 55 hours but we have many children who need to be left at 7 o’clock in the morning and still many who are with us at five to six at night. Therefore we must offer that service to the community. They require it.

A 50-hour capping makes it very difficult and discriminates against the full-time work force participant. It is okay for those who do four days or part time but it discriminates against those who do full time. Also the 20-hour capping for respite care will be a problem to us because we would have preferred ‘two days’ to be stated, rather than ‘20 hours’. Administratively, it is going to be very arduous to incorporate 20 hours instead of two days.

We have looked to make changes ourselves. We have opened a before-school and out-of-school program and a holiday program that we feel is really innovative. We have purchased a bus to pick up and deliver children from local schools. We service seven local schools. We have hired a second bus because we cannot be in the same place at the same time with one vehicle. We think that the program that we offer is second to none in the district. We have lots of computer sessions for the children, including Internet provision.

We speak with child care centres all over the world. I liaise with one in particular in America. I am up to date with the funding procedures in the States, in Britain. I know about funding in Canada. I feel that we are a small—and we are getting smaller—world, and that we need to provide quality care for the Australian children. We must look at ourselves as a global economy. We cannot offer inferior care, because our children in 10 years time will be competing in a global market. I believe that child care, quality child care, is the way for us to go.

I agree my staff are under a lot of stress. They are having to find lots of ways to accommodate needs at present that were not there in the past. For instance, we have given up our staffroom in order to open an out-of-school program. We have now gone into what was a cot room, so we have only got one babies' cot room now. I have asked for funding for a second cot room because I have got 20 babies. It has been denied.

No-one came into my centre to see if we required it. I have put submissions in but we were not lucky, so all these things make it very difficult for us to function. Yesterday our percentage was 87.7. It goes up and down all the time. We have lost children because grandparents now take on the child care on a part-time basis; some on a full-time basis. Even great-grandparents do. Neighbours have got arrangements where they will take each other's children, very quietly. They are not registered, but they do take each other's children. Some work some days; some work the others.

Family day care take a lot of our children. I would caution the government about family day care. I am not saying that they are not excellent providers, but I can see that, where there is only one caregiver, there can be potential danger, which has happened in America and in the UK. I am not going to say any more on that, but there can be potential danger. I think that for the safety of all of our children it is right that at least two caregivers are present at any one time, and that to channel children into family day care in order to save money is not a good idea. I think that is about all I have to say.

**CHAIR**—Thank you, Mrs Miller. Ms Thomson.

**Ms Thomson**—I would just like to reiterate what Helen has said, particularly about my staff. I know it is across the board, but I really can only comment with any kind of authority on the staff that I work with. Fifty per cent of them have no sick leave left. That is because of levels of anxiety, working with reduced resources, constant changes in licence to accommodate the movements within the community's needs for child care, and their career path aspirations have been dashed in one sense because they know that they are not going to go on to become directors, like they thought they were when they trained, et cetera. They are not the kinds of illnesses that are like, 'Woe is me. I can't cope with this.' They are genuine

illnesses. They tend to come back to work too early, therefore they get sick again and have to take more time off.

Another four of 10 staff members are undergoing postgraduate study to career path themselves out of child care. The tragedy there is that the quality workers are leaving the industry. I think that is probably all I have to say for the moment.

**CHAIR**—Thank you, Ms Thomson. Ms Ellery?

**Ms Ellery**—Thanks, senators. The issue that I wanted to address is the question of redundancy, and we address it in the submission on pages 17 and 18. The majority of the industry is covered under a federal award, and late last year we varied that award to insert the standard redundancy provisions which provide, in the event of redundancy, payment based on the years of service to a maximum of eight weeks pay for any service above four years. That is an industrial standard, but anyone would agree it is not an overly generous payment.

The difficulty in child care is that, particularly in the community based sector, centres do not have funds put aside that they can rely on to make those redundancy payments in the event that they have to make staff redundant. Even in the private sector, centres are increasingly relying on the incapacity to pay provisions in the redundancy clause to make application to the commission that they be granted permission or leave, if you like, not to make redundancy payments.

For example, the most recent example is Princess Lily Child-Care Centre, which was a magnificent purpose-built centre in the middle of the city which opened its doors less than three years ago, and closed on 20 March this year, owing its 12 employees over \$26,000 in redundancy. We appear in the commission next Wednesday where the owners of Princess Lily have made an application for incapacity to pay. It would appear that the structure of their financial arrangements is such that that application may well be successful, and those 12 workers will not be paid their redundancy pay.

In the situation of Forrestfield Child-Care Centre, which is a community based centre that operated on the edge of the hills just outside Perth, that centre found itself in financial difficulties and eventually had to close its doors owing its six employees, who were very long-serving employees, a total amount of about \$35,000 in redundancy pay. They were owed money for the last two weeks wages that they had worked; they were owed money in terms of annual leave payments as well. They closed their doors in December last year. That management committee is still trying to get assistance and coordination between the various government agencies to find a way to sell some limited assets to find some money to pay that staff. There is no way they are going to find enough to pay the staff everything they are owed, but they are trying to sell some of the play equipment to find those funds.

The difficulty that the child care industry finds itself in, and the level of stress that has already been mentioned, is exacerbated because they know even if they lose their job there is no guarantee that they will be paid out their entitlements. That is causing an enormous amount of distress for people who are already low-paid workers. This is not a group of people that have the capacity to absorb a sudden and immediate loss of income, and that

tends to be the way it happens. It tends to be that the decision is made to close, and that happens within sort of 10 days, and that is causing difficulties for those staff.

Just on the question of what happens when centres close, I think it is worth the committee being made aware that, because of the lack of any sort of coordination between the various state and Commonwealth departments that child care centres have to deal with, in the event that a centre makes a decision that it has to close—and in the example of the community based sector, where you have got management committees made up of volunteers—they are having enormous difficulties actually negotiating their way through all of the various legal requirements that go with closing a business.

For example, they have to get advice in Western Australia from the Ministry of Fair Trading about what the Corporations Law requires them to do in the event that they have to close a business or wind up an incorporated body. They need advice from the Taxation Office about what requirements they might have to meet in paying out staff, redundancy payments. They are dealing with the child care federal funding bodies and they are dealing with the state government licensing authorities. Take the case of Forrestfield and, before that, the Jennifer Lockwood Centre which closed at the beginning of last year. It took the liquidators of Jennifer Lockwood Centre six months to work their way through the various government agencies, to get a consistent agreement about what the arrangements would be before those staff were paid out their entitlements.

That is, I guess, a burden not just on the staff in the community based sector but on the volunteers, the parents who actually agree to, in their own time, manage the affairs of the centre. I am not sure that those obligations are made clear to them when they volunteer, and perhaps that is for a reason, because perhaps they would not volunteer if they knew what it would actually involve. But it is quite a serious issue, and it creates an extra burden for the parents who are also, at the same time, having to find alternative care for their children. I might leave my comments there.

**CHAIR**—Thank you, Ms Ellery. Ms Houston.

**Ms Houston**—I was employed by the city of Belmont in 1984, working eight hours a day. In 1988 my hours were reduced to six hours a day and then in 1997 I was told my hours would be reduced to four hours a day. There was just no way I could possibly keep that job on with such a low pay, and also the same work was to be expected. There is no kitchen hand when you are a cook in a child care centre. You have to have the kitchen clean, and your food has to be of the highest standard. Since I have left the centre nine months ago they are now on to their third cook, and the staff have told me the food is appalling. So, with the standard being cut, you are not getting the same standard of staff.

**CHAIR**—Thank you, Ms Houston. We will now go to questions.

**Senator GIBBS**—Mrs Miller, your child care centre is a fair way out of town.

**Mrs Miller**—Yes, it is.

**Senator GIBBS**—How are the parents coping with the 50 hours? You say it is three buses to get in; how long would that take?

**Mrs Miller**—They have to leave the children with us by 7 o'clock. It takes an hour and a half to get to work.

**Senator GIBBS**—So that is an hour and a half to get home of a night-time?

**Mrs Miller**—Yes.

**Senator GIBBS**—If they work overtime, what happens?

**Mrs Miller**—They have to make arrangements for another parent or friend to collect that child. We do stay open if a child is left with us, but that is not too often, thankfully.

**Senator GIBBS**—Do the regulations say that you can only open for 12 hours? You cannot have staff who work, say, shift work—start early in the morning, finish and then you have somebody working later? Are you only allowed to stay open for 11 hours?

**Mrs Miller**—We are licensed for 11 hours. We could make an application to be licensed for longer. In fact, when we first opened in 1988 we were asked to open at 6.30 by the hospital, linen and whatever workers it was in Murdoch. But the department in Perth told us they would not allow it, because we would have to pay overtime payments to staff. Any staff working before 7 o'clock were entitled to overtime payments and it would make it too expensive.

**Senator GIBBS**—Are you finding that people are actually leaving because of this, or are they leaving for other reasons and taking their children out?

**Mrs Miller**—Our fees have gone up by \$20 in the past 18 months, and that is not because I am spending more money; it is because the government is contributing less. We lost \$50,500 in operational fees and that is quite a lot of money. The hours have been cut to 50 and we had to pass that on to parents. We only ever used the amount of money that we required, but we are one of the centres that have put aside moneys, and I am grateful that we have done that. I always put money to one side, and I will state to you that this was frowned on for many years. I was told I should not be making any profit whatsoever, and I did not need to put this in provision because my staff would be gone before the long service leave would be upon us. At one stage they threatened to take my fee relief away from me because they said I had not documented where any profits were going to be spent. I am one of the very few centres that have financial resources in order to pay out redundancies, or whatever, or get ourselves through a shaky period.

**Senator GIBBS**—Obviously the redundancies are a big problem. When we were in Adelaide yesterday the miscellaneous union's presentation was exactly the same. They were saying that people were being put off and there was simply no money to pay their redundancy payouts. Is there absolutely no recourse? What happens if the people just do not have the money? Is there no recourse at all for these workers?

**Ms Ellery**—They can lodge an application and they can claim incapacity to pay. One of the suggestions that we have talked about amongst ourselves is asking the government to apply the same principles they seem to be applying to the stevedoring industry, and some elements of the mining industry perhaps, and making arrangements for payments to be made available to the child care industry, but it is not as sexy or as glamorous or as loud or as aggressive, perhaps, as those industries. Maybe that is why it is not happening.

**Ms Creed**—If I could just add to that: we did meet with the director of the Commonwealth department here some months ago and put a proposal to him that, based on comments that the previous minister Judi Moylan had made that the assistance that had been provided by the government had not been taken up in terms of the \$3,000 that was nominally allocated to each centre, was it possible to utilise some of those funds to assist centres to make redundancy payments.

That seemed to us a proposal that was worthy of consideration and it was not considered at all, in our view, by the director, other than saying that he just could not see that that would be a way out; whereas in our view it seemed to be that here was money allocated and the purpose of it in terms of assisting centres through this crisis was such that in the case of Forrestfield the only responsible thing for them to do was to close the doors, and we felt it was appropriate to be calling on some of that money.

**Senator GIBBS**—Another concern I have: I know you said in your submission that people who are qualified careworkers are actually leaving the industry to do other things for different reasons, so of course their places would be taken by people who are not qualified. We heard earlier today that there are not a great many qualified people here in Western Australia. In the early days of child care there was a problem actually finding qualified people.

**Ms Creed**—Yes, that is correct.

**Senator GIBBS**—In your opinion what is going to happen to the industry if there are not enough qualified people, if there is no incentive for people to study and work their way through and get the qualification to look after children—and children are the responsibility of all of us in the community? What is going to happen to the industry if we do not have people there to look after our children?

**Ms Creed**—That is a very real fear, Senator, and you are correct. In the sense of all the information that has been presented to you, we would agree that there was a shortage of child care workers, to the extent that some years ago the union in fact ran a relief roster type arrangement, whereby there was such a shortage that people could do permanent relief because there just were not enough child care workers around, because of the regulations that required certain numbers of qualified staff to children. One of the ways that you could identify that is under the state licensing provisions here: if you did not have a qualified worker to meet your licensing requirements, you could apply for an exemption, and several years ago there were something like 240-odd centres, and there were 65 exemptions that had been granted.

I can get the exact figures if you would like them. So that is the extent to which we have seen a shift in the last couple of years, from that sort of situation to the situation that Ms Thomson can describe, of 81 applicants for a full-time and part-time qualified position just recently. So there has been an enormous shift. The impact also has got to be considered, that what you are seeing is the qualified, experienced people moving out of the industry and the people who are coming in are the less qualified, less experienced, and the impact that that would then have on the care being provided.

**Mrs Miller**—I just wanted to speak to that. In 1995 I opened a company to recruit trained staff from overseas because I could not get trained staff for my centre at South Lake, which is right on the edges of Perth. I needed three trained staff, so I opened a company, and I recruited staff not only for myself, but for other centres in Perth, and the immigration authority and DEET gave me permission to bring staff into Australia, for all of Australia, except for Tasmania, and I actually brought 17 trained staff in from the UK, and about 11 of them are still here. They were granted initially a two-year work permit, and now they have been given an extension of four more years. Things have changed so much now. People have lost their jobs, centres have closed down, there has been an oversupply, so I no longer need to recruit staff. It was an interesting thing to do. I found it valuable. We have had some excellent workers come to us through that.

One thing that is not taken into account over here is the fact that many of our girls when they do the two-year diploma catch the first plane out of Perth. It is a ticket to the world when you have a child care qualification. Australian caregivers with a qualification are very sought after. I am not talking about a nanny's qualification; I am talking about a two-year full-time qualification. It is very sought after. When I have been backwards and forwards to the UK I could personally send all of our girls from Perth. I could get them a job within a week in a top establishment. There are lots of our girls going that way, but to my knowledge I am the only person who has tried to redress the balance, to bring other girls in from the UK or wherever, so we can all share ideas and capitalise on someone else's investment. They are capitalising on ours.

**Senator GIBBS**—Thank you.

**Senator O'BRIEN**—Ms Creed, your submission contains extensive detail on the numbers of centres licensed, and that is page 4 of your submission, and it has been referred to in your earlier evidence today, which shows that over the last five years there has been a net decline of one community based centre—that is to January—and a net increase of 155 private centres from a base of 106. You also detail later, on pages 12 and 13, the centres which have closed. Firstly, in relation to the details on the centres which have closed or, in one case, had made a decision to close, where did that information come from? Is that knowledge directly in the knowledge of the union, or did you get it from somewhere?

**Ms Creed**—Yes. Ms Ellery was in fact responsible for getting that information, and I would ask her to respond.

**Ms Ellery**—Originally, Senator, the table was compiled by the union taking phone calls and dealing with members who were reporting centres that were closing. For the purposes of the submission we provided the list to the Department of Family and Children's Services,

and that is set out in paragraph 7.2 on page 13. I asked them to check it. They checked it and agreed that those centres had closed, and indicated a further six private centres which had also closed as at 12 February 1998.

**Senator O'BRIEN**—We have had other evidence today about private centres that are licensed and open but are in fact not properly functional in the sense that they do not have many, if any, client children. Has the union been made aware of any like circumstances?

**Ms Ellery**—No, I cannot say that I have. I am not sure if these are the kinds of centres that you are talking about, but it is the case that licences have been issued to people to operate a centre, but those centres are not actually up and running properly yet. So it depends what you are counting. If you are counting actual centres that are operating and have closed versus licences that have been issued and then not discontinued, or whatever, if you like, I think that might be where some discrepancy might appear.

**Senator O'BRIEN**—Okay. I am just looking at your figure on page 4—261 private centres were licensed. How many of those centres that have not formally closed, that might be licensed but not properly operational?

**Ms Ellery**—I cannot answer that question now, but I could get that information and make it available to you.

**Senator O'BRIEN**—Yes, if you could. It seems from the information you have that 19 of the 31 centres which have closed are private centres, and the balance are the community based centres.

**Ms Ellery**—That is correct, although that table does include—you will note down at the bottom of the table on page 12—Manjimup out-of-school care, so it is not just talking about long day care.

**Senator O'BRIEN**—And that is the period September 1996 to March 1998. Have there been closures since that time?

**Ms Ellery**—Yes, there have.

**Senator O'BRIEN**—In addition to these?

**Ms Ellery**—Yes. I think there are another four since then, so our figure would be that there are now 36 child care services that have closed in WA, so that is another four since 20 March. I can provide those names to the committee if that is helpful.

**Senator O'BRIEN**—Yes, thank you very much. What is the breakdown of those? Are they private, community based or a combination?

**Ms Ellery**—I think it is a combination, Senator, but off the top of my head I could not tell you.

**Senator O'BRIEN**—Could you supply us with that information. In terms of your dealing with child care centres, particularly community based child care centres, have you had negotiations with centres as they go through the process of making the decision to close?

**Ms Ellery**—Indeed we do. We have a policy in place, and inevitably what happens is we get a phone call, either from a member or a non-member working in a centre, or from someone on the management committee, or from the director or the owner—this happens in both sectors of the industry—and our position is that there should be meetings held between the management and the staff to investigate all of the options that might be available, and we are happy to assist people work through what those options might be. For example, staff might agree on a voluntary basis to take a temporary reduction in hours to share the effect. So that no-one loses a job, everyone might agree that they will reduce their hours and review that, say, in three months time or six months time, depending on how their centre's enrolments are going.

So that is the first option, that there is some kind of voluntary agreement on a reduction of hours, or that there is some kind of voluntary agreement on redundancy. Somebody might be looking to get out, and a restructure occurs around that. In the final analysis, if it really is the case that for operational and financial reasons some major restructure has to occur, and it is an involuntary redundancy, then the provisions of the redundancy clauses in the awards apply. But we help centres, management committees and owners of centres to work through those issues, and I have to say that probably takes up, now, a much bigger chunk of the organisers' time than it ever has before, as we work through with centres.

We look at other ways they can save money. Mind you, the centres are pretty adept themselves at doing this, but we work through a whole range of issues to see if there is any way of perhaps introducing short-term changes to try and get over the difficulties that that centre might be facing.

**Senator O'BRIEN**—In your dealings with the centres at that time, to your knowledge is there an involvement from the funding body, the Commonwealth?

**Ms Ellery**—No. We would say there certainly should be, and Forrestfield is a classic case. The senators may be aware that through the funding arrangements the centres have to provide back to the Commonwealth annual reports as to how the moneys have been spent—and if it is Commonwealth money then you would think that the Commonwealth government would want to be accountable for it, but somebody should be intervening a lot earlier than it would appear they are, to ensure that centres and, in the community based sector, the management committees are given all of the advice that is available to them about how they can restructure.

Forrestfield Child Care Centre, Senator, is a classic example. That centre has been in financial difficulties for well over a year, and had been providing to the Commonwealth its financial records, which must have indicated the level of financial difficulty that they were in, and yet nobody stepped in, and when the decision was made by that management committee to close, and they closed at the end of the week, there was nobody there from the Commonwealth who could actually say, 'All right, now we're going to sit down and assist you to work your way through how you actually do this.'

**Senator O'BRIEN**—My recollection is that when centres were in difficulty—and it might be because they were in an area where utilisation dropped and they had problems—the Commonwealth has in the past assisted centres with special funding to overcome short-term difficulties, and has in the past assisted with the provision of moneys for redundancies.

**Ms Ellery**—Yes.

**Senator O'BRIEN**—You are aware of that?

**Ms Ellery**—Yes. The last time those moneys were available was when Kalgoorlie centres closed, and that was the beginning of 1996. I think it was some time in 1996. My information is that is the last time those funds were made available to a centre in Western Australia. They actually amalgamated.

**Senator O'BRIEN**—You said when Forrestfield closed it had been supplying its financial records, I think you said, to the Commonwealth for a period of 12 months. Was that simply to do with justifying its fee setting arrangement, or seeking help?

**Ms Ellery**—I think they were actually doing both, Senator. It was the normal record-keeping that is associated with child care funding. There was not anything abnormal about that, but I do understand there had been discussions between the management committee and officers of the Commonwealth department here in WA for some time, and certainly Ms Creed referred to a meeting we held with the state director, and they indicated at that meeting that they had been aware of the situation at Forrestfield for some time, but there were no intervening steps taken to actually stop the situation getting to the point where they closed within five days, and assisting them to work their way through it.

**Senator O'BRIEN**—And at that stage there would have been direct Commonwealth funding of the centre, I suppose.

**Ms Ellery**—Yes.

**Senator O'BRIEN**—And that would have been funding on the basis of utilisation, so all of the financial information would have been with the Commonwealth?

**Ms Ellery**—Yes.

**CHAIR**—Senator O'Brien, we have gone past the time in this session.

**Senator O'BRIEN**—If there are some more questions I think need to be asked perhaps I can communicate them to the secretary and I could get some answers in writing if they are needed. Thank you.

**CHAIR**—Thank you, Senator O'Brien. Senator Neal, do you have a question to ask?

**Senator NEAL**—I do not know if you were in here before when Senator Knowles told us that she had received information from the department that there had actually been a net

increase of three centres. We have not got that list yet but, when we do get it, if we were to provide it to you, can you go through that and confirm and make comment on it?

**Ms Creed**—We would be happy to.

**Senator NEAL**—You raised the matter of the interface between the federal funding and I suppose accreditation, and also the state regulation and how that is their difficulty. Would you see it being advantageous to in some way amalgamate the accreditation and regulations at the state level, and the funding provisions?

**Ms Creed**—I guess our concern, Senator, was in indicating that there are clearly two players in this, in the sense that the state has certain responsibilities and the Commonwealth has others. In the past they have been not necessarily subsumed one in the other, but through the medium of a Commonwealth-state planning agreement. The link between the two has been very clear, and one of the reasons we would advance as to why the problems for child care centres in Western Australia is perhaps greater than in some of the other states is that lack of integration between the funding that has been provided with the extension of fee relief to the private centres and licensing.

So you do get that situation where centres have been able to access fee relief and, regardless of whether there is a need for that particular centre in that particular area, they have been able to do so. Our position is that we do not think that is the best use of Commonwealth money—to be just having that continue without some link between the state government, which is responsible for the licensing—in our view the regulations here are good regulations and ones that should be maintained—and the Commonwealth in terms of the responsibilities it has in relation to funding. It seems to me the historical link, if you like, between the regulations and the accreditation is in the past. There had been efforts made to have a national set of regulations. That did not occur for one reason or another, whereas accreditation, because it was introduced at the Commonwealth level, was able to apply nationally.

**Senator NEAL**—I am not sure exactly what you are arguing. At the moment you have to be registered and comply with state regulations in order to receive Childcare Assistance or the subsidies.

**Ms Creed**—That is correct.

**Senator NEAL**—Are you arguing for uniform regulations from state to state? I am not really sure exactly what you are arguing.

**Ms Creed**—You had linked in accreditation and make a link between the regulations and accreditation and indicate that this state has had regulations that go to, for example, staffing ratios that would be considered superior to the staffing ratios in other states. There was a move some years ago to try to have a national set of regulations. That did not succeed but what has come in through accreditation are national standards. They are not the same thing.

**Senator NEAL**—They are very different. The regulations in states set down how many staff, what areas. Accreditation does not attempt to deal with that.

**Ms Creed**—No, that is correct.

**Senator NEAL**—It is all really to do with process and that sort of thing.

**Ms Creed**—That is correct.

**Senator NEAL**—Do you think it would be advantageous to really amalgamate the regulation and the accreditation so that there was one set of controls which specified both the minimum requirements like that and also had that quality improvement process?

**Ms Creed**—As I say, they are picking up two different things. Our submission is not so much putting them all together in one, if you like, but making sure the two parts complement each other. That is the issue we were particularly raising in relation to the funding and the licensing; it needs to have some consistency between it.

**Senator NEAL**—How would see them complementing each other?

**Ms Creed**—For example, under a previous Commonwealth-state planning agreement in the mid-1980s in this state, there was an agreement between the Commonwealth and the state in relation to the provision of occasional care services that was different than applied in other states, whereby occasional care services were provided through what the state government was establishing as family centres. That was a unique situation to Western Australia that picked up the requirements here. But the state and the federal governments were not working in opposition to each other; they were working together to say, ‘Well, how can we provide the greatest range of occasional care services in the areas that are needed?’ So the state’s assessments of needs and the Commonwealth’s funding were tied in together.

**Senator NEAL**—But that is really an issue of planning, isn’t it, rather than regulation? What you are saying is there should coordination between state and federal about the provision and planning of child care.

**Ms Creed**—That is correct.

**CHAIR**—Thank you, Senator Neal. I thank the representatives from the Liquor, Hospitality and Miscellaneous Workers Union for attending these sessions this afternoon.

**Ms Creed**—Thank you for the opportunity.

[2.55 p.m.]

**ALLERT, Mrs Maureen Janet, President, Family Day Care Schemes of Western Australia, Meerilinga, 1186 Hay Street, Perth, Western Australia**

**FANG, Mrs Barbara Joan, Member and Past President, Family Day Care Schemes of Western Australia, Meerilinga, 1186 Hay Street, Perth, Western Australia**

**BLANCKENSEE, Ms Helen Josephine, Treasurer, Australian Early Childhood Association, Western Australian Branch, PO Box 15, West Perth, Western Australia**

**DEVERAUX, Ms Susan Isabel, National Vice-President, Australian Early Childhood Association, Western Australian Branch, PO Box 15, West Perth, Western Australia**

**STOTT, Mrs Sandra Lynne, Vice-President, Australian Early Childhood Association, Western Australian Branch, Meerilinga, 1186 Hay Street, West Perth, Western Australia**

**EATON, Ms Julie Helen, President, Carewest, c/- 1186 Hay Street, West Perth, Western Australia**

**CHAIR**—We will start with the Family Day Care Schemes of Western Australia.

**Mrs Allert**—On behalf of the 20 schemes in this state from the Pilbara in the north to Esperance in the south and all places in between, the 7,700 under school age children, the 2,100 before and after school age children and families and the 862 carers belonging to the schemes, I would like to thank you for giving me the opportunity to speak and answer questions on the inquiry into child care funding.

Family day care cannot be administered in the same way that occasional care and long day care is. The model for family day care is completely different and these changes will cause many problems for parents and caregivers in family day care, particularly those in rural and remote areas. The viability of family day care is dependent on the continuation of operational subsidy that is in keeping with the CPI. Of real concern is the lack of information that has been given parents and the lack of consultation between agencies and schemes.

For example, the new forms were not sent until a week before implementation date, and then insufficient forms were sent. As to the family-in-crisis form, there has been no consultation with services on the workability of this form. For a family in crisis to receive extra Childcare Assistance, approval has to come from the department. It is quite unreasonable for a family in crisis to place a priority on the filling out of a form such as this. Family Day Care Schemes of WA have met with Centrelink and the Commonwealth Department of Family and Children's Services to try to sort out the administrative aspect to these changes and they have been less than satisfactory, the Centrelink staff having little or no knowledge of the way family day care works.

As an example of this, in our scheme last week we received 19 letters cancelling Childcare Assistance for families. This means that we had to contact the caregivers, get them

to contact the parents, who then had to contact Centrelink. In one instance a parent called me, very angry and upset. When I explained the situation to him, he then contacted Centrelink only to be told that the information could not be given to him as his wife's name was on the form and not his. The schemes staff contacted Centrelink after waiting 12 minutes to get through and then went through every form that had been cancelled, only to find out that 18 of these forms had been due to the data entry person in Centrelink not passing the forms on after family payments had finished with them. Had the schemes staff not taken this on board to contact Centrelink and find out the problem, parents would have had a two-week gap in Childcare Assistance when it was not their fault.

Although this may not be an isolated instance, it is an example of waste of time for parents and scheme staff to have to deal with these issues. The average time to get through to a person in Centrelink is between 12 and 15 minutes. This is not a service. The lack of communication all round leave schemes feeling unable to plan and provide parents and caregivers with the information they need. I would like to point out to you that schemes staff have developed positive working relationships with families and caregivers, providing support and supervision to ensure quality care and accountability. They are not numbers to us but real people, and we are concerned for parents with the increasing cost of child care and the social ramifications involved.

With all this uncertainty and confusion we have still not lost sight of our goals: that is, to continue to supply a flexible, affordable and quality child care service to the people of this state. However, it is becoming increasingly difficult to maintain. In closing, family day care has an excellent record in safety and accountability and the system works well as it is.

**Ms Deveraux**—The Western Australian branch of the Australian Early Childhood Association, which is a national organisation of professionals and organisations in the early child care and education field has approximately 96 members in this state, and our submission comes from information passed from those members. Members generally recognise that, if the industry was to deal only with cuts to the grants, then those cuts probably could have been accommodated in the long term. However, with the explosion of new child care centres in Western Australia, the underutilisation that this has caused, and the expansion of the four- and five-year-old programs in the Education Department, that has certainly exacerbated the situation in WA.

We do acknowledge that in different areas these results are being felt in different ways, and in those areas of lower socioeconomic levels they are finding it most difficult to cope. Where they do need to raise the fees they are then losing the parents or not able to attract new parents. Mrs Stott and Ms Blanckensee can certainly give exact examples from their centres to the inquiry.

Our major concern of course is that of the child; the fact that they are the receivers of the care must be considered in any decision that affects child care. The major key to us is that those children must receive quality care. We believe that there are three key things that come into quality care: the child-staff relationships within the child care, provision of adequate quality programs, and that the care is consistent, both in personnel and in time.

**Ms Eaton**—Carewest represents the community based enterprise centres in Western Australia. Currently our numbers are dwindling because of many closures throughout Western Australia. We are very concerned about the impact of the cuts overall, not just the loss of the operational subsidy to the community based sector. In particular we are concerned about the high turnover of children coming into centres and the stress that is being placed on centre management in terms of just keeping afloat on a daily basis. Many of the management committees and directors in community based centres are literally living from hour to hour, day to day in terms of working out what is happening in their centre and making sure that their centre remains viable.

As a director myself I can speak on behalf of that. Just last week—what do you say?—we took three steps forward and two steps back, and that is literally how we are going with our enrolments and booking in the community based sector at the moment. I guess that wraps up what our position is.

**CHAIR**—We now go questions.

**Senator KNOWLES**—I would like to just ask the Family Day Care Schemes and also Carewest: what is your connection? I notice you are both based in Meerilinga.

**Mrs Allert**—The Meerilinga Foundation just offers a mailing support. Because we have schemes all over the place, that is a central mailing address.

**Ms Eaton**—It is office space and central connection with children's services.

**Senator KNOWLES**—Mrs Allert, on page 1 of your submission you say that the abolition of the operational subsidy could very well bring about the total demise of Family Day Care particularly in rural and remote areas. May I ask the basis of that claim, considering that 202,000 people around Australia use private centres as opposed to 71,000 using community centres? But, not only that, in rural and remote areas 22,500 people use private centres and just under 10,000 use community centres, and those people in all of those circumstances using private centres have never had the operational subsidy. Why are you suddenly painting a picture of doom when most people are still using private centres anyway?

**Mrs Allert**—I am the coordinator of a rural scheme myself. My area covers 140,000 square kilometres and I deal with 17 shires in my area. Family day care is the only viable operation for small country towns. It causes no cost to the community. All the costs borne are by the caregiver and, quite frankly, long day care or occasional care would be too much for a small community. Family day care is really the best option for small, rural communities.

**Senator KNOWLES**—What I am saying is that the majority of people, well over double, use private centres in country areas now that have never received operational subsidy. Why are we now going to bring about the demise of something with people who have never used it?

**Mrs Allert**—Because if you did not have someone to support the family day care schemes in rural and remote areas the standards would go down. They would not have any support in training or the parents would not have any support either.

**Mrs Fang**—Because the caregivers are working from their own homes, what the scheme does is support that training, support the selection of the caregivers, provide them with a toy library and all of those sorts of things. I guess we are the quality assurance or the gatekeepers, if you like, for caregivers. We are actually there overseeing it.

**Senator KNOWLES**—I will come back to quality in a second. You also mentioned reduction in quality of service or the accreditation system, that family day care throughout Australia have been working for the past four years to bring about national standards through accreditation. If this process is not allowed to continue then standards will fall. Can you tell me why you believe that the process will not continue?

**Mrs Allert**—We have no guarantee of funding. The Commonwealth gave us \$30,000 to set up an accreditation model to get it off the ground. There is no guarantee that that will go ahead.

**Senator KNOWLES**—But on what basis have you put in your submission that the accreditation system is going to change? There is nothing to suggest that the accreditation system is going to change.

**Mrs Fang**—For the accreditation system to be ongoing we need to have schemes to keep it going. If there is not funding for the schemes, then there is no-one that would be behind the accreditation system.

**Senator NEAL**—Family day care is not under the accreditation scheme.

**Senator KNOWLES**—I realise that, thank you very much. I just find that some of these assertions that are being made here are quite amazing. I still come back to that one on the rural and remote areas. I just believe that this is supposition because there is no question about taking away the subsidies for family day care. You have got supposition right throughout your—

**Mrs Fang**—I suppose that is why we are here: we do not want to be in the position where people that we have heard previously, and people now—community child care centres—have had the operational subsidy removed from them. We do not want to be sitting here in two or three years time; we want to be saying to the government, ‘Keep operational subsidy with family day care because without it we are not going to be able to continue.’

**Senator KNOWLES**—We have got a whole range of submissions in effect saying that the sun will not rise tomorrow. What we need, as a committee, is to say, ‘This is what has happened; this is how it has been affected.’ I notice, as I say, when I come onto the care side of things, and there is supposition right throughout Carewest’s submission as well.

**Mrs Fang**—Senator Knowles, can I just say that what the government does to us is that things are brought down on us with very little consultation. Yes, family day care still has

operational subsidy, but we saw this as an occasion where we could actually say we want to keep it. We do not want it to be somewhere down the track where we may lose it. I think in just the way the changes that have come in over the last 12 months, or have come in and have not come in and been postponed and so on, is a really good indication of how things are just given to us. Decisions are made without a lot of consultation; they are there and we are told that this is going to happen. We still do not know how it is going to happen.

**Senator KNOWLES**—Do you know in my 13½ years of parliament, I have never known any government to telegraph in advance budget decisions—never known a government to nominate; and let's face it most of them have been the other colour from mine—prior to a budget where the cuts are going to be; nor, must I say, in 13½ years have I ever known any person, group or individual of any kind put their hand up and say, 'You can take my money away because I don't need it.' There is nothing different about you. Everyone wants more money.

**Mrs Fang**—I am sure there is not. We are here simply to say that.

**Senator KNOWLES**—All I am trying to do is get to the actual facts of it. Here in Family Day Care Schemes you say 'making child care too expensive'. The private centres have not increased their fees. In Carewest's submission you are saying that child care is unaffordable. If this is so, why is it that so many people use private centres as opposed to the community centres? If it is so unaffordable, why do more low income families, 96,000 use private as opposed to 28,000 community.

**Mrs Fang**—Because there is a whole lot more private than there is community, I guess. We are family day care so I cannot really answer that. But there are more private than community.

**Senator KNOWLES**—The claims are made in both submissions, and I am just wondering on what basis.

**Ms Eaton**—Perhaps I could respond to that. In Western Australia—and I think it is reflected in other states—the community based sector represents only about a third of the sector. Of course there is going to be more families using the private sector, because that is how it is.

**Senator KNOWLES**—That is right, but that is what I am trying to ask you. Why are you saying that child care is now becoming too expensive, when many, many more people choose to use private centres and they have not increased their fees?

**Ms Eaton**—I would debate that, because both private and community based centres are raising their fees.

**Senator KNOWLES**—That is not the evidence that has been given to the committee.

**Senator NEAL**—Yes, it is.

**Senator KNOWLES**—On an average, \$1 a year is what the private centres have been doing.

**Ms Eaton**—Yes, there is the \$3 to \$4 we received this morning.

**Senator KNOWLES**—The evidence that we received this morning from the centres was over the last three or four years it has increased \$3 to \$4. My mathematics makes that about \$1 a year, and that was the other evidence that we have had throughout. I keep coming back, and I go through all these submissions and I just find the same myth being perpetrated all the time.

**Ms Eaton**—Senator Knowles, I cannot really respond to what you have said because I do not have the statistics, but I can give you some of my own personal experience. I am the manager of centres in two very different suburbs, quite a distance away from each other. Whenever we are looking at fees and perhaps the question of raising fees we do surveys of centres within our areas, and we usually survey between 10 and 15 centres. What we find is that, if you compare private and community based centres, there is a range of fees. Predominantly when you are talking about fees rising especially around the middle of the financial year, when you ask people what their fees are, they say, 'Is it going to be before or after the end of June, because our fees are going up.' That is my experience: that both private and community based fees are rising; there is a range of fees out there.

**Senator KNOWLES**—The market forces still prevail, but it is interesting about surveys. I was fascinated to read about some of the surveys. I noticed that one which was undertaken by the state Labor spokeswoman for Family and Children's Services which was released in January stated that approximately 480 services were approached but only 114 responded. It was only a 23 per cent response rate. Therefore, I do question a lot of these surveys that are being done, because the figures of people who are attending child care services are not supporting what a lot of these assertions are in the submissions.

**CHAIR**—Senator Knowles, do you have a question?

**Senator KNOWLES**—If you will let me ask it, I certainly do. You also say that parents who had no extended family nearby were forced to give up work to care for their children at home. How many people have been forced to give up work and on whose advice? It is your submission, Carewest.

**Ms Eaton**—I guess there are a couple of sources of information around to be able to put statistics to that, but in a lot of the situations that we have come across—and this is through talking to directors of child care centres throughout the community based sector—that is the trend of things that are happening.

**Senator KNOWLES**—So it is anecdotal evidence.

**Ms Eaton**—Some of it is and some of it could be backed by surveys that have been done.

**Senator KNOWLES**—What sort of empirical evidence do you have?

**Mrs Stott**—Can I just give you some of my personal side of it?

**Senator KNOWLES**—Yes. Can I just get an answer to that question. What empirical evidence do you have?

**Ms Eaton**—There was a survey done by the national association for community based services, and that was released in September last year. That gave an indication of the impact along those lines. There was also one done in Western Australia with the state shadow minister for family and children's services. That would give some of those statistics. There was also a study done in Tasmania through the Early Childhood Association there, and that would give an indication of what is happening over there as well.

**Senator KNOWLES**—So your assertion is that there are fewer women in the work force as a consequence.

**Ms Eaton**—Yes, and if not women withdrawing completely, then they are withdrawing partially from their positions.

**Senator KNOWLES**—You may wish to look at those two graphs which I will hand over to you.

**CHAIR**—Senator Knowles, I just want to ask you to come to a conclusion on your line of questioning so I can give the floor to someone else.

**Senator KNOWLES**—By all means. I would just remind you, Mr Chairman, that it is five to one here, and I would not mind half the time.

**CHAIR**—Senator Knowles, you are having more than half the time. You have had 18 minutes so far out of a 25-minute session.

**Senator O'BRIEN**—As I understand it, you are not involved in centre based care at all and you do not compete with the centre based sector in a direct sense; you provide a different sort of care.

**Mrs Fang**—Yes.

**Senator O'BRIEN**—My understanding is that operational subsidies are the basis for running not the caregiving but the coordination of the caregiving or, as you call it, the gatekeepers. Can you perhaps clarify for the committee the impact of the withdrawal, if it occurs, of the operational subsidy for your sector? What happens to the current centres? Is there any other way they can be funded, for example, by a levy on parents?

**Mrs Fang**—There is some levy that schemes have to put on parents already to cover our costs, and we are already doing that. It would mean that we would have to levy the whole lot from the users, and that would just mean that the parent would be unable to afford the fees. The Childcare Assistance percentages are frozen at the moment. Not only are people putting their fees up; the assistance that parents are getting is frozen as well. That is not keeping with it. In fact, it has been going down over the years.

**Senator O'BRIEN**—Have you any idea of the impact that withdrawal or reduction of the central support unit's role in family day care would have on the preparedness of the carers to remain under family day care schemes?

**Mrs Fang**—I beg your pardon, could you say that again?

**Senator O'BRIEN**—I am interested to know if you withdraw the central support are people going to find it more difficult to operate if they have to take that role on themselves in terms of administrating their only caregiving business and dealing with the paperwork for the bureaucracy, getting their licensing arranged and those sort of issues?

**Mrs Fang**—It would make it a lot more difficult for them, yes. We cannot say that every child care centre is fantastic; there are obviously ranges across. I believe that overall generally there is a much higher standard in family day care with carers who are part of the scheme than if there are what we call privately licensed family day carers.

**Senator O'BRIEN**—I understand the family day care coordination unit would attempt to match parents to carers who could fit their needs.

**Mrs Fang**—That is part of what we do, yes.

**Mrs Allert**—That is very difficult to do in rural and remote areas because the coordination unit very rarely get to meet the parents because of distance involved.

**Senator O'BRIEN**—So would you have a post-care involvement in resolving any difficulties?

**Mrs Allert**—We do play a role. If parents have a difference that they cannot sort out with a carer, we do act as a mediating body between them. Coming from a rural area our biggest function really is to support the carers, to help them with training and to give them resources—the parents as well. There are many parents out there in rural and remote areas who have children with problems and we can act as an agency referring parents to those agencies and putting them together.

**Senator O'BRIEN**—How many children are cared for in family day care situations in Western Australia? Do you have any figures on that?

**Mrs Allert**—Yes, I did give them in my opening address. Under school age children 7,700 and before and after school-age children 2,100.

**Senator NEAL**—You were saying earlier how family day care played an important role in providing child care where other types of care could not. Was 20 family day care schemes right?

**Mrs Fang**—Yes, 862 carers just in Western Australia.

**Senator NEAL**—Individual carers.

**Mrs Fang**—Yes.

**Senator NEAL**—How many of those areas have no access to other types of care?

**Mrs Fang**—With rural Maureen will be able to answer that. I was actually referring then to overnight care, 24-hour care, weekend care, which we find we are getting a tremendous amount of now, where we are having that sort of extended care.

**Senator NEAL**—I was talking really about the areas where there were not other types of care available. Is that a lot?

**Mrs Allert**—In rural areas a lot, yes.

**Mrs Fang**—Yes.

**Mrs Allert**—I am based in Northam and I am only a small scheme; we have 26 carers. Nine of those are in Northam, which is a moderate sized town, but the rest of my carers are out in my 140,000 square kilometre area. In those areas family day care is the only option for parents.

**Senator NEAL**—There was an issue raised with family day care in the eastern states about the rate of assistance for non-core hour school age children. Is that an issue here?

**Mrs Fang**—Not a big issue, no. That is with the pre-primary children and whether they should be paid a full—

**Senator NEAL**—No, the school age children—whether or not they are paid at an out-of-school-hours care rate or whether they are paid on the full rate, bearing in mind that it is not actually after school; it is things like overnight and weekends.

**Mrs Fang**—That is a huge issue.

**Mrs Allert**—Yes, there is a disparity in the rebateable fee. There are two different rates as at 27 April: one rate for children who have already used your service for before and after school and vacation care before 27 April, another rate for new children coming into care or those who have used before and after school care but not vacation care. So there are different rates.

**Mrs Fang**—There is also a different rate with our school age children on weekends. On weekends where the rebateable fee for under school age is \$3.05, for school age children it will be \$2.60. In our occasional it will be \$1.95 for school age children instead of \$2.30 for under school age children. So we are going to actually have four different percentages, two for school age and two for under school age.

**Senator NEAL**—It makes it a bit difficult.

**Mrs Fang**—It is incredibly difficult when you have over 500 children in one scheme.

**Mrs Stott**—I think that it is just a temporary issue. It is like a grandfather clause; those people already in the service would have felt a change in their fees had it gone from \$2.30 to \$1.95, so they are working on weening out the originals. With the new ones coming in, they do not know any different, so they are paid that way. I am imagining it is a kind of grandfather clause.

**Mrs Fang**—Once all of that moves through we are still going to be left with children on a weekend. If a parent has three children and one of them is an under school age child, then their Childcare Assistance can be counted on at \$3.05, but if they are school age children they can only get \$2.60. It does not make a huge amount of sense, really.

**Senator NEAL**—I will just come back to a different question. It is one of the questions I raised early today. Ms Deveraux, can you see there being an advantage in the integration of the state regulation and the federal accreditation scheme, particularly in regard to educational elements of child care?

**Ms Deveraux**—I guess I foresee that our state regulations, to a large degree, do cater for quality programs and always have done. In fact, that was certainly the role of our early childhood advisers in the early days: to go around and advise people on the programs, et cetera. I do believe that, because there is a disparity of regulations within Australia, in some states that would probably cause some difficulties but within Western Australia I do not believe there would be huge anomalies in putting quality issues and regulations together. That is something that historically always existed in our regulations base, although of course accreditation makes it much more explicit.

It would certainly be an advantage. In this type of change we are seeing centres which have been accredited for one, maybe three years, drastically changing their operational times, the consistency for the children within the centre in the program, the people who are giving the care. So the relationships that they are building with their staff—all those things—can change quite drastically within a 12-month or a three-year period. If there were some more period of a review within the period of accreditation, then that certainly may make the accreditation process more consistent, more reliable from a parent's point of view. They would have some surety that a centre that had a three-year accreditation was maintaining that level of accreditation for that whole three-year period.

**Senator NEAL**—Do you think that the changes that have occurred in the last two years have reduced the overall quality of child care in Australia?

**Ms Deveraux**—You mean the changes because of underutilisation or the changes because of accreditation?

**Senator NEAL**—No, putting aside accreditation for the moment, in terms of the change in Childcare Assistance and operational subsidy and the way those are calculated, do you think the changes that occurred have reduced the quality of child care, not in any particular sector—I do not want to get into that argument—but overall?

**Ms Deveraux**—I was at a national executive meeting just last weekend and the executive did discuss the casualisation of staff within the industry throughout Australia. This of course

then breeds inconsistency of staff; therefore, the relationships are not as strong. There is not the same amount of observation time for the children, between the children and the staff, and then of course that affects the quality of the program that is provided. So, yes, I do believe that because of the changes that centres have been forced to bring in there has been some alteration in the quality of the care.

**CHAIR**—Thank you, all the various representatives of the various organisations for coming along this afternoon. We will adjourn for five minutes and reconvene at 3.40 p.m. for a panel of providers of child care centres.

**Proceedings suspended from 3.34 p.m. to 3.40 p.m.**

**CHAIR**—The committee will now hear evidence from a panel representing providers and individual child care centres. I would invite a representative of each organisation to make a short statement relating to the issues which impact upon your particular centre, and in the remaining time I would invite members of the committee to put questions to you. It would also be helpful if you briefly describe the type of child care provided by your centre.

**ANDREWS, Ms Lyndall Jane, Management Committee President, Unicare—University Child Care Club Inc., 24 Parkway, Nedlands, Western Australia**

**COOK, Mrs Gay, Director, Subicare, 295 Bagot Road, Subiaco, Western Australia 6008**

**CROSSLEY, Mrs Margaret, Coordinator, Children's Protection Society of Western Australia Inc., trading as Beaufort Child Care Centre, 286 Beaufort Street, Perth, Western Australia**

**FARRELL, Ms Pauline Mary, Management Committee Member, International Child Care Centre, Doig Place, Beaconsfield, Western Australia**

**MILLER, Mrs Angela, Coordinator, South Lake Child Care Centre, 2 South Lake Drive, South Lake, Western Australia 6164**

**YOUNG, Ms Rae Alison, Director, Children's Hospital Child Care Centre Inc., GPO Box D184, Perth, Western Australia 6001**

**Ms Farrell**—I am here as a parent to represent the International Child Care Centre. I am in my second term as a member of the management committee, and my son Patrick is in his third year of attendance at the International Child Care Centre. The International Child Care Centre is one of two purpose-built multicultural centres in WA and was established in response to a large need among the ethnic community for people arriving from other countries, many with no extended families and often from war-torn and politically unstable regions.

Our centre provides an environment sympathetic to and with an understanding of the needs of a multicultural community where children can safely be left while parents learn English or go out to work. We have families from over 45 different cross-cultural and cultural backgrounds. We seek to reflect the ethnic diversity and multicultural nature of our community in our staff profile, programs and guiding principles. We feel that services for children offer one of the most powerful tools for the development of social cohesion.

How have the changes to child care funding impacted upon the International Child Care Centre? Eighteen months ago full fees at our centre were \$156 per week. Shortly after this our fees rose to \$157 per week. When the operational subsidy—for our centre, that was on average \$44,000 per annum—was abolished, our fees rose to \$170. Our fees, by the way, are not variable. Also, 18 months ago 75 per cent of the families at our centre received the greatest level of Childcare Assistance from the government. Referring to our ready reckoner, we see that these are families receiving an income of \$522 or less per week. Today, only 45 per cent of our families receive this same level of assistance from the government.

Today, the socioeconomic mix of families at our day care centre has changed significantly. Those with the least money, it seems, can no longer afford the services our centre provides. Nineteen families who were working or studying have dropped out of day care because they could no longer afford the cost. Eight families were non-English speaking or had English as a second language, and had their children in care so that both the parents and the kids could learn and acquire English language skills. Three were Aboriginal families working or studying, four were single mothers—two working and two studying—and four families had more than one child in care.

Both adults and children from non-English speaking backgrounds have lost their opportunity to have the advantage of speaking the language of the country into which they hope to, and are expected to, assimilate. Indigenous Australians, single parents—the double needy it seems—are those disenfranchised by the government's decision to abolish the operational subsidy for community based long day care.

The measures taken by us as the management committee of the International Child Care Centre in response to the abolition of the subsidy are several and varied: for example, the inevitable rise in fees, the replacement of contract cleaners with a more cost-effective alternative, investing considerable funds in advertising, investing many hours in pursuit of the fundraising dollar, et cetera. It sometimes seems that the management committee no longer has time to manage the business of day care as our time is consumed managing the business of financial survival. At what cost?

The management committee decided that the one thing that they were not prepared to sacrifice in this war of economic attrition was the quality of care afforded to the children in our centre. At around Christmas time utilisation at our centre was about 50 per cent. Morale was very low. We—our families, staff, director, and management committee—were very unsure of our survival as a centre. We have been fortunate, we have the most wonderful staff and a very knowledgeable and committed director.

I believe also that our decision not to compromise the quality of day care service we provide was instrumental in our survival. The utilisation at our centre is now 97 per cent. The new people coming to our centre are arriving from other day care centres that have been forced to sacrifice the quality of care in order to survive. These new parents at our centre are coming to us because they believe we are offering an appropriate level of care. We are scarred, and we are still very vulnerable, but, as I said before, we are really fortunate—the International Child Care Centre still exists.

There are those that are not so fortunate: those families that can no longer afford to have their kids in day care, those who can no longer afford to learn English, those who can no longer afford to work, those who can no longer afford to study, and those who can no longer afford any respite, those whose quality of life will be profoundly disadvantaged by this fact.

**Ms Andrews**—I am the President of the Management Committee of Unicare, a child care centre set up under the sponsorship of the Student Guild of the University of Western Australia. Unicare is community based child care. We have been operating for 26 years. We have 100 children each day at the centre. Because of our size and the fact that up until recently we have had 100 per cent utilisation, we have been able to offer a service that is

needed by the students and the staff at the university. For example, we open on four public holidays during the year which are not university holidays; therefore, there is extra cost involved there. We have closure over the Christmas vacation, so again there are extra costs spread over the year there as well. We like to put into it an increased number of babies, and have the facility of having extra staff.

One of the main philosophies of the management committee is to look after our staff, because we know that happy staff means happy children, and that is part of where the quality comes in. It is not necessarily the material things such as food and toys, et cetera; it is the quality of care that the staff themselves are giving to our children. The management committee has a high priority on looking after their staff. To that end, the stress leave that has been afforded to child care workers we are trying like crazy to keep for our staff, because we recognise the benefit that that gives to them, and hence to our children.

Another thing with our staff is that we have maintained a range of ages. As we know, younger staff cost less, and that is one of the things that we have had to do: as experienced staff leave we replace them with less expensive junior staff. As the previous speaker said, the committee focus has changed due to the cuts in child care. We are a fortunate centre in that we have maintained our 100 per cent utilisation—as I said, until recently—and that means that you can focus on the children and their care. But with the change in funding to us, we have had to do what you said, which was have a look at the money, how we can cut costs—and that is not what we want to do.

One of the effects on our clients is that we have gone, from before budget cuts, from 80 per cent full-time to 47 per cent full-time children, and the fact that we now have so many part-time children means that staff are taken up with the settling in of those children. They are not there every day, they are not used to it, and it is a new situation all the time for them. We are attached to the university, and another effect we have seen is that, in 1996, 57 per cent of our clients were students. This year they represent only 29 per cent, indicating that students are unable to afford the child care—as well as the part time—and we see that in the people that come to our centre. It does seem that every time there is some change in the way child care is funded, the people at our centre who are affected—as we can see by the students going from full time to part time—are those that can actually least afford it. That's in our experience from the people we have at our centre.

Another thing that we are concerned about is the idea of paying Childcare Assistance direct to the families, and then having the families paying it to the centre. As a centre, we are very concerned that if that happens, again, more time is going to be spent trying to get money from the parents themselves instead of the money coming direct to the centre which will therefore be able to use it. We are focused on quality care, and I believe we give very good quality care. At this stage we have raised our fees—\$10 in the middle of last year and \$10 at the start of this year—\$20 within six months. Obviously that is where parents are feeling it. Again, if we are focusing on quality, what happens next? The committee will have to look at that and see what you do to determine what we do.

**Mrs Crossley**—I represent the Beaufort Child Care Centre. The Beaufort Child Care Centre is a community based nonprofit centre which is operated by the Children's Protection Society of WA. I will give you a bit of history of the Children's Protection Society. They

opened their first day nursery for the children of working mothers in August 1908, and for almost 90 years have continuously provided child care for some of the most disadvantaged children in our community.

The current centre was purpose-built in 1953. Again, we catered for low income families. The removal of the operational subsidy has had a significant impact on those low income families using the centre. The increased financial support from the Children's Protection Society has lessened the increase in fees, but the fees increased \$32.50 to \$164 a week. As a result of this increase, we lost nine families, and other families cut back from full-time care to part-time care. From December 1996 the average daily utilisation has fallen from 49 children per day to 23 children per day. Many parents have low paying jobs and have reduced their working hours because of the cost of child care. Children in full-time care have dropped from being the majority of children using the centre to the minority of children using the centre. Since the beginning of the 1997-98 financial year the operational deficit of the Beaufort Child Care Centre was \$66,700 to 31 January 1998. Our sponsoring body, the Children's Protection Society, has provided an additional sponsorship above and beyond their usual sponsorship of \$55,000 to maintain our financial viability. Without this financial support, the centre would close.

The reduction in Childcare Assistance and the Childcare Rebate has eroded the affordability of quality child care, and some of our parents have decided to cease using formal child care. This means that the parents from the low income groups that our staff were targeting to ensure the health and welfare of their children we can no longer supervise. Our care staff work with the child protection officer of Family and Children's Services, and frequently we have children in from the Ave Maria Women's Refuge. The centre also provides occasional care for children whose families are attending court. We had the opportunity of having those children in our care, and to be able to supervise how those children were going, and to monitor their progress.

Parents who are withdrawing their children from our care because of financial reasons tell us that they are going into backyard care, with a relative or friend, and staff feel frustrated that they have worked hard to achieve the strict standards of accreditation to ensure quality care for these children, to give these children the best start, only to see them going into environments where there is no regulation.

Many of the women who use our centre are from non-English-speaking backgrounds and have low paying jobs. The fee increases have impacted upon these mothers, so that even a small increase in child care fees has made it economically viable for these women to stay home on a pension or on unemployment benefit rather than work and pay for child care. Many women have been very open about choosing this option. I have concerns with the rhetoric of the level playing field. To provide a high quality child care service costs more and, rather than reduce the standard of our centre, we would rather close the doors. I beg you not to allow economics to jeopardise the quality of care offered to our children. The positive outcomes of quality child care for children and parents in the community cannot be measured in terms of dollars and cents, and it is going to be reflected in the society of the future.

**Ms Young**—I represent the Children's Hospital Child Care Centre. I thank you for the opportunity to present the concerns of this centre to your committee today. The Children's Hospital Child Care Centre was established in 1986 in the grounds of Princess Margaret Hospital. The centre was set up to provide some unique services to families of WA. These include long day care services to shift-working families on a part-time or rotating day basis, a service to severely disabled and medically dependent children. We care for the siblings of the patients who are receiving treatment at the Princess Margaret Hospital, and we also cater for long day care for children from regular working families from anywhere in the community.

The impact of the funding cuts to child care in the 1996-97 budget has affected all our families. The centre, like most others you have heard of today and over the past week, is similar. We have had to reduce things like our cleaning services. We have had to reduce time for program planning, and we have had to reduce our administration support, despite the increased load brought about by the recent policy changes. The impact of these changes on the quality of care is significant, as inevitably staff have less time for caring. I will not go into those difficulties because they have been mentioned by others today. However, the impact of the changes to the child care funding on the families with children who have additional needs are those specifically which I wish to bring to your attention today.

At present we have 18 children with additional needs who attend the centre each week. These children have a range of disabilities and medical conditions, and they range from children who are oxygen dependent, tube-fed, fitting continually or totally immobile and need full care, so they are fairly severely affected children. These children are being cared for at home by their families, and these families have very little choice of other support.

The centre has been fortunate in that we continue to receive funding for supplementary workers, and these are dedicated supplementary workers, and I mean that in both senses of the word. They are dedicated as in they are centre based. They also have to be very dedicated. Of the children we have currently attending, only three of these children attend while their parents work, so for the most part they are children from whom the parents require respite. Thirteen of these families receive Childcare Assistance, and three of the families are on full Centrelink benefits, and they are families where the fathers have had to give up work, and both parents are actually at home to care for the children, so these families are in great difficulty.

Due to the very nature of these children's disabilities, these families have very little choice in the long day care that they use. The families attending this week travel from a range of areas, from Kinross in the northern suburbs to Willetton, to Bicton, to Nedlands, to Rivervale, so they are all travelling. Most have transport, but some are relying on public transport. It is a great concern to the management of this centre that this essential service may become unaffordable to these families. The centre's fees increased by \$13 per week last July to accommodate the changes in funding.

These families have very few options. Unlike other families who may have been forced to choose to reduce their working hours, leave the work force completely, or use extended family to care for their children in an attempt to avoid paying high child care fees, these families do not have those choices. Regular respite services are limited in our community.

Many of these children require very specialised care. The government has acknowledged the need for child care services for these children by the provision of services through the supplementary workers program. However, to offer a service to families which they are then unable to afford is of little value. It is not uncommon for families identified as those at risk to receive financial assistance from the state Department of Family and Children's Services; that is, the state department picks up part of their fee, and the family pay the remainder of the fee, and that is the only way that these families are able to continue attending.

I appreciate the opportunity to share my concerns with you today, and I urge you to reconsider the funding to children's services. It is our opinion that the move to profit-driven care does not necessarily equate with high quality care.

**Mrs Miller**—I coordinate a long day care centre at South Lake for 60 children. The services we offer are long day care, occasional care, vacation care and before and after school care. I have just returned from the UK, where I went for the last five weeks to care for my father, and I came back particularly to take part in this inquiry, because I believe so deeply that our families and children deserve and require quality care, and that changes in policy over the last 18 months or so are beginning to erode the quality of care that is being offered in Australia.

I have not had time to write extra things on my submission, because I have only just landed here, and part of me is still in the air. I will tell you that at the moment we have 130 families through our centre for 60 full-time places. At one stage we had 75 families taking up those 60 places, so we have lots and lots of very part-time positions there, so the workload and administration is far higher than it was two years ago. We have a lower utilisation, even so, only 87 per cent. Our utilisation has changed in the last two days. Tuesday it was 84 per cent; today it is 87 per cent. This is how we are all finding our operations are working. I review my staffing daily. I only call in staff when I have found exactly how many children we have. This is how tightly we are orchestrating our finances. I have staff I can call in should we require them, and they are willing to do what hours we need them for.

I know that many experienced coordinators, colleagues that have been my friends for the past 14 years, are looking to get out of the industry. It is extremely stressful. I would say at least 50 per cent of the coordinators that I know are either on medication for depression, on tranquillisers or on sleeping pills. This is the nature of our industry. We feel that there is very little support out there. We have offered community care in the spirit of community. We have tried to give the lowest fee that was possible, and we have always had support from the government. Now we feel this support is being taken away, and this puts the onus onto management committees, and some coordinators feel this is far too big a burden to carry, and I hate to see changes implemented that worsen this situation. Thank you.

**Mrs Cook**—We are a long day care centre, and quite close to the city. The harsh reality of 1 July 1997 was that \$42,000, which was the government funding to Subicare received as operational funding, was not to continue for the new financial year. Centre fees prior to this withdrawal were dependent on the \$42,000 being received, and this was not spent on frivolous expenditure. So we had to find that amount, and the only way we have of finding money or our sources of money is from the users, so we underwent the financial review and

the solutions put to us by our financial review we put into place, and so gradually we were able to whittle away and see on the whiteboard how we could receive some of this money which we were of course no longer going to receive. But, even though we worked on that financial review, we still had to pass on a rise in fees to the tune of \$18 per week to our users.

How has the community coped with this rise in care fees? They are now using less care. That is how the community has coped with the rise in fees. The trend noticed at Subicare is that we now see more children in a week and, as Angela Miller has stated, that puts a workload on administration, and it also puts a workload onto the carers themselves, as they have to have the records and the care for additional people in the week of care.

But where are the children who previously used longer term in child care on the other days? Are parents being forced into using less qualified care for their children? Are the grandparents or the extended family being asked to care for the children on those days, and is perhaps the health of these people suffering? Are parents being forced away from pursuing a career path because of child care costs? Subicare really is just suffering the same as all other centres.

**CHAIR**—Thank you, Mrs Cook. Senator Neal?

**Senator NEAL**—Do you believe the changes that have occurred in the last two years give parents more choice?

**Ms Farrell**—Give parents more choice?

**Senator NEAL**—Yes.

**Ms Farrell**—Absolutely not.

**Ms Andrews**—I guess they can choose to stay home and not work, whereas before they could choose to work.

**Senator NEAL**—Ms Young, in relation to the children with handicaps that you were discussing earlier, I am just not really clear. Do they get the same level of Childcare Assistance?

**Ms Young**—They do.

**Senator NEAL**—The \$115 top?

**Ms Young**—They get their disability allowance, but apart from that they get treated the same as any other child in terms of Childcare Assistance.

**Senator NEAL**—So the 20-hour—

**Ms Young**—Yes, the 20-hour cap, you mean?

**Senator NEAL**—Yes.

**Ms Young**—Yes.

**Senator NEAL**—The department has told us there is provision for extending that period of care.

**Ms Young**—We do not really have a problem with the hours. It is more that they are unable to afford to come at all. We have supplementary workers available to care for them, we have the service there but, because they have to slot into the same fee structure as working families do, and for the most part they are not working families, or they are one-income earning families, it is more that the service is available but they are unable to afford to use it, and there is no other service equal to it.

**Senator NEAL**—And that is because of the increase in gap fee, the difference in the cost, and what they get for assistance?

**Ms Young**—Yes.

**CHAIR**—Thank you, Senator Neal. Further questions.

**Senator GIBBS**—With regard to children with disabilities, do your carers need extra training to look after these children?

**Ms Young**—Of the 1.6 supplementary workers that we have, the 0.6 is a registered nurse and the one is a child care worker who has some nursing skills. We do access other workers from other areas if the need arises, but for the most part it is nursing type skills that they require, because they are medically dependent children.

**CHAIR**—Thank you, Senator Gibbs. We thank all the panel members for coming along this afternoon and giving their evidence to this Senate inquiry.

**Committee adjourned at 4.14 p.m.**