

*Provision of Childcare Inquiry*

Public Hearing: Friday 7 August 2009 of Senate Education, Employment &amp; Workplace Relations Committee

Opening Statement: Council for the National Interest (Western Australia)

Thank-you for the opportunity to speak about our submission with regard to childcare in Australia. We are concerned that the policy of the government seems to fund more and even larger childcare centres and more financial assistance to parents who use them, whilst ignoring the most effective means of childcare, that of a loving parent in their own home.

I hope you will not mind if we refer to our written notes when answering your questions following our opening statement. We have **three recommendations** for the committee. I will speak to each one, the first requiring a longer explanation, before briefly outlining the **harm evidence and productivity arguments** supporting our position.

**RECOMMENDATION ONE** is that the federal government end discrimination against parents caring for their own children and give parents a real choice by redistributing childcare funding through a per child payment.

Parents caring for their own children receive on average around half as much government funding in family tax benefits as families who get childcare subsidies. Most preferential funding goes to daycare including the Rudd government's plan to build around 260 Parent Child whose core business will be long daycare (with various services attached) all funded at taxpayer's expense.

The plan was heavily criticised in a report included with our submission entitled *Rudd's baby farms not great for kids* which appeared in *The Australian* newspaper on 18 April 2008. Peter Sanders and Jessica Brown wrote "The PC centres will redistribute income from poorer to richer parents by making the former contribute to the childcare costs of the latter. A couple sacrificing some of their joint income by having one parent stay home to look after the kids will now have to pay more tax to subsidise other couples who choose to keep working and earning while parking their kids in the PC centre. This violates the principle that government should remain neutral between parents who stay home and those who go out to work, as it represents an extensive intervention in favour of the latter at the cost of the former."

The report quoted Maxine McKew, then Parliamentary Secretary for Early Childhood Education and Child Care, explaining "All the experts tell us this is the way to go. You provide that intervention early on, through the early years, and that's how you get healthy children and, I think, less stress for parents as well." We ask "what experts?"

Saunders and Brown ask the question "But is there no downside to this idea? Perhaps Rudd, his ministers and the childcare cheer squad should take time to reflect on some of the problems before they plough ahead. Despite what McKew and the Community Child Care Association claim, it isn't true that this is necessarily good for children. McKew suggests parents' stress levels can be reduced by long hours care" but we ask, what about the stress levels causing harm to babies?

We support the above-stated principle of government neutrality in childcare choices. The fairest way to achieve this is for parents - not the government - to decide where childcare funding goes, including to informal care. We therefore recommend **re-directing childcare funding to families through a per child payment** for dependent children. Parents could use the money towards the costs of caring for children at home, or to pay for third party care.

The current **Conservative Party of Canada won the 2006 federal election** with its promise to replace the incumbent Liberal Party's election promise to spend Ca. \$5 billion over 5 years on providing Universal Early Learning and Child Care, in other words yet more funding biased towards daycare institutions.

Voters opted instead for the now Conservative Prime Minister Stephen Harper's **alternative policy of \$100 per month cash to support care costs for every birth to 5 year old**. The popular \$100 monthly payment, known as the "Universal Child Care Benefit" is similar to our per child payment proposal. The Canada Revenue Agency website describes the UCCB as designed to help Canadian families, as they try to balance work and family life, by supporting their child care choices through direct financial support.

People are only now realising that this **funding gap** biased against second-class parental childcarers has dangerous unintended consequences. At the time of our submission to you, the Council supported the idea of paid parental leave. However, we **cannot accept the federal government's Paid Parental Leave proposal announced in May 2009**, because it pays much more than the baby bonus. It will therefore further punish those delivering parental care by widening this funding gap. This gap – as the Productivity Commission intended – will pressure mothers in low-income households to swap the job of mothering for money-making. The **exodus of mothers into paid work** will be hastened by the pressures of increasing dual-income dependency on single-earner families and will **not stop until the vast majority of young children are in third party care**. This policy goes against the wishes and instincts of most families and of most mothers who, according to all available data, would rather be spending more time with their babies and children.

**RECOMMENDATION TWO** is that the federal government end discrimination against parents caring for their own children by allowing income sharing for tax purposes by couples with dependent children.

Parents are legally obliged to provide age-appropriate care for their children 24 hours a day until they reach the age of 18. Daycare centres have no monopoly on early childcare. The vast majority of childcare in Australia is in fact delivered by the parents themselves, mostly mothers.<sup>1 2</sup>

Parents at home with children pay for their choice through salary sacrifice. Yet the federal government **systematically punishes the majority of Australian parents who choose to look after their own children**, not only by funding them less but by taxing them more!

The government takes more tax from single-income families where mum or dad stays home to care for children, than two-income families where the children go to daycare centres. The two-income family benefits from two-tax free thresholds of \$6000 each and may be taxed at a lower marginal rate. Childcare work – paid or unpaid – is a productive job. The only fair solution is to give parental childcare workers the **same tax breaks as any other workers**, by allowing income-splitting for couples with dependent children.

**RECOMMENDATION THREE** is that the federal government fund quality research into its childcare experiment, so that parents are fully informed about their care choices.

The measure of success or otherwise of the recent mass out-sourcing of parenting worldwide will be the survival and well-being over generations of children raised this way. Mothering (with support of fathers) is by far the most successful care known. **Mothers have a multi-million year track record** of nurturing children into happy, stable adults.

Before displacing mothers and fathers as primary carers, we must realise that we are taking part in the world's **biggest experiment ever conducted on children**, with no successful precedent and much evidence of harm. A product cannot be marketed as a food or drug until extensive testing has failed to show harmful effects. Even if it does, that does not mean there are none as with Thalidomide. Early childcare advocates have, without excuse, reversed the burden of proof, and so far have got away with that position.

The federal government must now fund overdue quality research on childcare effects in Australia. Obtaining **scientifically acceptable evidence** about the short and long-term effects of various forms of early childcare is no simple matter. I refer you to the excellent guidelines for the design and interpretation of early childcare research in Chapter 3 of Dr Cook's book *Early Child Care—Infants and Nations at Risk* (published by him in 1996). This excellent book is out of print, but the Council would be happy to obtain the author's permission to forward you a user-friendly electronic version, if you so require.

<sup>1</sup> **Most mothers of children under age 5 were full-time mothers in June 2000:** I refer to Labour Force Statistics and Other Characteristics of Families data from the Australian Bureau of Statistics. In June 2000, 51% (over half) of all mothers of children under five were full-time mothers. Only 15% worked full-time. The rest worked only part time. I do not have more recent figures to hand but on this basis it is a safe bet that the vast majority of children are still cared for by their mothers.

<sup>2</sup> **Only 22% of children aged 0-11 years were using formal childcare in June 2008:** ABS figures just released for 2008 state attendance in formal child care has risen from 17% of children aged 0-11 years in 1999 to 22% in 2008, while usage of informal care fell from 37% to 34% over the same period. *Childhood Education and Care, Australia, June 2008*, (cat. no. 4402.0).

To achieve value for taxpayer's money and **the most accurate results** on long-term effects of all different childcare types (including parental care), a large sample of children must be randomly selected and independently evaluated, from birth.

## Increased harm risks of non-parental care

The focus on the childcare system occasioned by the collapse of the ABC Learning Centres provides us with an opportunity to investigate what is truly in the **best interests of the child**. Surely this must be the main priority of the government because "getting it right" has such long-term benefits for the community and our country.

Mothers carry the child for 9 months before giving birth and form a natural attachment that is impossible to replicate, making them the foremost natural choice for childcare and nurturing. **Dr Peter Cook's** book *Mothering Denied* published in 2008, surveys the vast body of evidence on the biologically inherited survival mechanisms that human females have in common with other mammals. These include specific hormone reactions, brain activities and acute mutual distress at separation, which protect the mother/child attachment essential for our survival.

This childcare experiment has great opportunity to cause damage to the child as mentioned by **Prof Jay Belsky** of the Institute for the Study of Family, Children and Social issues, working with others on the earlier-mentioned NICHD study over 15 years. The study followed 1000 US children in 10 locations from birth to 15 years and costing \$150m. Belsky wrote about the study as follows in his essay entitled *Give Parents Real Choice*, published in March 2009. The "**good news**", Belsky found, was that children in high quality care<sup>3</sup> of any type benefit and that children's learning and understanding improved in certain cases.

The "**bad news**" was that children with extensive histories of child centre care were more likely to be more aggressive and disobedient upon entering school. This also appeared to be "contagious" in the classroom. He goes on to say that critical also to the child is the family. Is the family financially viable, are there 2 parents and sensitive parenting? He recommends to policy makers that parents should be offered real choice, making payments available directly to parents with children, thereby giving them the options that best suit.

**Dr Steve Biddulph**, a researcher in childcare over 3 decades in UK, Sweden, US and Australia tells us "the tendency in Australia to provide more daycare subsidies than home care assistance is extremely short-sighted and out of kilter with what research is finding. (Raising Babies by Dr Steve Biddulph).<sup>4</sup>

One of the most worrying aspects of these adverse research findings is the propensity for a **carry over from young children into adolescence** and even into **adulthood**. This has been demonstrated by Jonas Himmelstrand in his presentation to the Swedish Parliament on 10 December 2008, *Secure Children, Secure Parents – The Role of Family in the 21st century*.

Himmelstrand gives a **bleak assessment of the institutionalisation of children** – via the very same policies promoted by Australia's federal government – that have changed family life in Sweden. He explained that the admired Swedish parental leave policy is not what it seems. High taxes to fund PPL and subsidies to daycare (with no support for home parents after parental leave) mean that Sweden's family policy exclusively **supports the dual earner household**, resulting in over 80% of 1-5 year olds in daycare as previously stated.

<sup>3</sup> **High quality care defined:** In his article *Give Parents a Real Choice* Belsky defines high quality care as follows "it refers to the extent to which those providing daily care for the child are attentive to his needs, responsive to her verbal and non-verbal signals and queues, stimulating of his curiosity and desire to learn about the world, and emotionally warm, supportive and caring." A VERY BIG ASK INDEED!

<sup>4</sup> **Under 3s not suited to group care:** These sentiments are supported by Penelope Leach, co-director of the UK Families, Children and Childcare study". Dr Leach said "it is fairly clear from the data from different parts of the world that the less time children spend in group care before 3 years the better."

I quote Himmelstrand “Swedish family policies during the last 30 years have resulted in insecure children and youth, stressed adults and low quality parenting. As security in children is a social legacy, it is a negative spiral.” Summing up his address to parliament, Himmelstrand concluded that families are the only remaining institution for close relationships today, needing protection from extinction and better support if the Swedish nation is to survive socially and emotionally. To this end he declared that it must once again be possible for a Swedish family to live on one wage.

The failed Swedish model must give impetus to Australians to adopt a per child payment, in place of our unfair childcare subsidies which will ultimately cripple our economy and provide less than optimal care to huge numbers of children, as in Sweden.

## Productivity would be improved by a per child payment

I will briefly outline this argument before concluding. The federal government apparently believes parents are second-class childcare workers, producing nothing of value to society. The desire of most parents to nurture their own children is being ignored in the government’s push to get babies and small children into institutional care. This is part of an ill-conceived notion that trading mothering for money-making will somehow make us all more productive.

The opposite is true for five reasons. **First**, these productivity claims do not factor in the **value to the community of a mother’s unpaid labour working at home** and in the community. One study reported in the *Daily Mail* on 14 August 2008 estimated that at-home mothers’ volunteer work saved the UK government around 1 billion pounds per annum. **Second**, government productivity measures do not take account of the future burden on the health and social justice budgets of children damaged by non-parental care such as under-parented children, stressed adults and lower quality parenting. **Third**, the costs of workfare (ie. subsidising daycare so mothers can get low-paying jobs) are higher than subsidising parental care through welfare. Also government spending on non-parental childcare is unlikely to pay for itself for the simple reason it inflates the cost of childcare to parents as found in the study *Child Care and the Labour Supply* by Jennifer Buckingham<sup>5</sup>. **Fourth**, the government is creating the childcare affordability crisis by preferentially subsidising daycare and creating an increased artificial demand for it; **Fifth**, the idea that for every dollar you spend on quality daycare, you get several-fold back in productivity is a complete myth, which takes no account of the above factors.

## Conclusion

In conclusion the work of mothers and/or fathers in their caring role must be valued and seen as an insurance for our youth and the preservation of the family. If we are serious about maintaining **inter-generational health and social capital**, we should free parents of Nanny State notions of productivity and fund them directly to decide on the best care for a stress-free, happy, secure childhood.

## Recommendations

To recap, our recommendations are –

**Recommendation 1** - Redistribute childcare funding through a **per child payment** for dependent children. By **childcare funding** we mean any funding tied to **care choices** or **work status** including childcare benefits, rebates and miscellaneous funding for childcare, Family Tax Benefit B and the baby bonus, as well as the proposed paid parental leave. A **per child payment** could be delivered as a non-means tested tax rebate or payment. Otherwise we could introduce a system of family unit taxation.

**Recommendation 2** - Allow income-splitting for tax purposes for couples with dependent children; and

**Recommendation 3** - Fund a quality long study into childcare effects, so parents are fully informed.

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<sup>5</sup> *Child Care and the Labour Supply*, Centre for Independent Studies, Issue Analysis 97, 23 July 2008  
[http://www.cis.org.au/issue\\_analysis/IA97/ia97.pdf](http://www.cis.org.au/issue_analysis/IA97/ia97.pdf)

**MORE INFO IF NEEDED - How can we design reliable studies here?**

We need **research at the standard of the NICHD study**. You would be aware of the American NICHD study. NICHD stands for National Institute of Child Health and Human Development, the government body that is funding the research. This study is indisputably the largest and most intensive investigation of childcare effects ever undertaken. Briefly, essential elements of such research are as follows.

**Volunteer studies** without independent evaluation are unreliable. Quality research in on childcare effects must be **independently evaluated** (not by the mother, for example) using a **large, random sample** of participants. As we have said, for the most accurate results on long-term effects of different childcare types, participants need to be **followed from birth**.

Anyone wanting to **design** or **interpret** such research should heed the advice of eminent Australian psychiatrist, Dr Peter Cook who has specialised in early childcare effects for decades. I refer to Chapter 3 Dr Cook's book *Early Child Care—Infants and Nations at Risk* (published by him in 1996), which describes the **basic ingredients of research** into the outcomes of early day care. It looks at how these are put together in research studies, with illustrations of the complexities involved and some pitfalls in interpreting what the results really mean. It cites **five general questions** that may be kept in mind about any proposition, including the interpretation of a research study. They are: 1. What is actually being said here? 2. Who says so? 3. How do they know? 4. Does it make sense? 5. Is there a catch somewhere? A **sixth question** it is sometimes useful to ask is who is gaining from the study outcome? A variation sometimes used today is 'follow the money.'

Peter Cook also notes the difference between saying that there is no proven evidence of harmful childcare effects, and there *are* no harmful childcare effects. *Absence of evidence is not evidence of absence of harm.*

Finally, it should be clear that **preschool education** of 12 to 15 hours a week for 3 to 5 year olds has great benefits and should be **distinguished from daycare**, especially long daycare.

### **MORE INFO – Relevance of US Research in Australia?**

With over \$150million in funding, the NICHD study has examined the child care, family and schooling experiences of around 1000 children across 10 locations in the US for 15 years so far. Professor Jay Belsky, who has been involved in this collaborative research project for its duration, points out in his March 2009 article *Give Parents Real Choice* that it is an empirical question whether the US NICHD findings extend to other countries.

However, pro daycare lobbyists tend to **dismiss the NICHD study out-of-hand in Australia** as being completely irrelevant here because Australian conditions are "different". The main difference, it is argued, is that Australia has higher quality childcare than in America.

However, there is **NO evidence at all that quality of care in Australia is better than in the USA** or better than that studied in the NICHD Study. Before anyone glibly dismisses the quality of care in the NICHD Study, it should be pointed out to them that care suspected of being of the lowest quality was the most likely not to be included in the study as settings which on other grounds seemed likely to be of the lowest quality **DISPROPORTIONATELY** would not allow the NICHD researchers in to observe them.

Just as important is the following. If you are going to embrace, as so many do, the 'good news' from the NICHD Study (ie. that good quality daycare may improve children's language and understanding), then one cannot then dismiss the 'bad news' about emotional harm on the grounds that quality there is not like any place else. In other words, dismiss **ALL** the NICHD findings or none of them. To do otherwise is logically inconsistent and clearly ideological, certainly not scientific.

Some American studies regularly cited to support the argument that childcare is widely beneficial **do not have wider application**. For example the High Scope Perry Preschool Project, which found that children from low-income families did better with a combination of centre-based care and home visits.

### **MORE INFO – Swedish social harm**

Himmelstrand's speech to parliament gives six examples of harm, which I will list –

1. increased psychological ill-health amongst youth;
2. increased stress and sick leave, being among the highest in the world;
3. behavioural problems in children, for example Swedish schools have the highest level of truancy, destruction and bad language in the OECD;
4. plummeting education results;
5. rising divorce rates;
6. lower quality parenting. In this regard a 2007 study by Britta Johansson referred to the conservative Swedish newspaper - Svenska Dagbladet [**spell this for hansard**] - showed that even healthy, intelligent and reasonable Swedish parents have difficulties being parents today. They lack knowledge about children's needs and cannot set limits.

Himmelstrand's view on the harms just listed is that the public offer of full day child care seems to make many parents lose the grip of their own responsibility. He explained what we all instinctively know and I quote "When we are young we need someone to love us also when we do not seem to deserve it. Someone who stands steady in a storm. Someone who continuously gives the message: I am here for you, I love you, we can work this out together, we will manage this situation. Young people need their parents." End of quote.