

Tasmanian Government Submission

Senate Education, Employment and
Workplace Relations Committee
Inquiry into the provision of child care

February 2009



Tasmania
Explore the possibilities

**Tasmanian Government Submission to the Senate Education, Employment and
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The following information relates to the Inquiry's Terms of Reference (a), (b), (c) and (d).

Overview – the current policy context for child care in Australia

The National Partnership Agreement on Early Childhood Education agreed to by the Council of Australian Governments (COAG) on 29 November 2008 establishes a starting point for joint Commonwealth, State and Territory action to improve the supply and integration of early childhood services, including child care, early learning and development, through the delivery of universal access to quality early childhood education in the year before full time schooling. In conjunction with the development of an overarching Early Childhood Development strategy, further work will also occur on the development of a National Agreement on Early Childhood Development that will set the direction for collaborative early childhood reform across the Commonwealth, States and Territories.

This Agreement is a first step towards broader early childhood development reform in Australia. Current action includes the formulation of national quality standards for early childhood education and care and the Early Years Learning Framework. Areas for future action include: early childhood workforce development; improving data and information about services and supports for young children and their families; and further modernising infrastructure and associated service delivery. All jurisdictions will contribute to these reforms through the ongoing work of the Early Childhood Development Subgroup (ECDS) which reports through the Productivity Agenda Working Group (PAWG) to COAG.

a. The financial, social and industry impact of the ABC Learning collapse on the provision of child care in Australia.

The Tasmanian Government considers that at this point in time it is too early to ascertain or fully comprehend the financial, social and industry impact of the ABC Learning collapse. Given the Commonwealth Government's current role in supporting the continued operation of many ABC Learning centres, it is anticipated that the Commonwealth Government will continue to monitor the situation and its impacts.

State and Territory Governments are working with the Commonwealth Government to support transitions and ensure that wherever possible transitions occur in a manner which minimises the disruption to, or level of stress placed on, families. Impacts of the collapse in Tasmania have been limited - no ABC Learning services were closed (see Table 1 below). While four services were placed in the ABC2 Group – there have been no other impacts in Tasmania.

A longer-term analysis of the impacts of the ABC Learning collapse will provide an opportunity to better understand the social and economic importance of child care in

contemporary Australia. To avoid future recurrence, a greater recognition is needed of the role of the child care sector in providing support to working families and quality early childhood education and care services. The ABC Learning collapse has shown that an approach that relies on regarding child care as a commercial commodity can be detrimental to the employment and financial security of working parents and jeopardise the emotional well-being of children in child care.

b. Alternative options and models for the provision of child care.

The Tasmanian Government would be open to consideration of alternative options for child care services in the future. However, in developing future options caution should be exercised so as not to unduly overburden a sector characterised by limited resources and historically low pay rates which experiences ongoing difficulty in attracting and retaining qualified staff.

At the present time, the child care sector is experiencing enormous challenges in addition to the ABC Learning collapse. Significant change is proposed through the current COAG processes detailed above including national quality standards and workforce development. It may be more appropriate to consider alternative models once the current COAG proposals have been successfully implemented and the longer-term impact of the ABC collapse has been evaluated.

The real challenge in the future may be to ensure and support diversity in the sector. Tasmania continues to have a higher proportion of community based child care providers than all other jurisdictions (apart from the Australian Capital Territory) – 70 per cent community-based compared to 30 per cent private providers. Given ABC Learning's relatively small presence in Tasmania with only 13 services, the collapse has not caused the level of disruption experienced in larger jurisdictions (Table 1).

Table I - ABC Learning Centres in Tasmania as at January 2009

Region	New ABC Learning (Continuing Centres)	ABC2 (Government Support) Centres ¹
South	Blackmans Bay	Cambridge (opened late 2008) Margate Long Day Care and Out of School Hours Care (OHSC) Lansdowne Street OSHC
North	Claremont Glenorchy Hobart Central North Hobart Kings Meadows Newstead Prospect Vale	
North West		Devonport

Current initiatives such as the Commonwealth Government's 38 Early Learning and Care Centres (ELCCs)² and the Tasmanian Government's decision to establish a network of Children and Family Centres over the next four years have the potential to bring about 'organic' change in the child care sector, ensure the diversity of models of child care and improve connections between child care services and schools.

Future change in funding for the sector should recognise the focus on the value and purpose of child care and meeting the needs of parents and children rather than an ideological, market-driven change. A range of child care delivery models, as opposed to a system which enables any monopoly, will help to ensure a diverse, sustainable and innovative child care sector into the future.

¹ Government Support Centres denotes those services no longer viable under the ABC Learning Group that may be profitable under a different owner and business model. The Australian Government will provide a support package to keep these centres open until 31 March 2009.

² Two ELCCs will be built in Tasmania.

- c. The role of governments at all levels in:
- i. funding for community, not-for-profit and independent service providers;
 - ii. consistent regulatory frameworks for child care across the country;
 - iii. licensing requirements to operate child care centres;
 - iv. nationally-consistent training and qualification requirements for child care workers; and
 - v. the collection, evaluation and publishing of reliable, up-to-date data on casual and permanent child care vacancies.

(i) Funding for child care is primarily a Commonwealth responsibility. Over a decade ago, the Commonwealth Government adopted a funding model whereby subsidies were delivered to parents, through the Child Care Benefit (CCB) rather than directly to child care services. As a result of the loss of operational subsidies a number of marginal community-based child care services closed in Tasmania. The child care sector in Tasmania has since consolidated with a mix of private and community providers (Table 2).

Table 2 – Sponsorship of child care providers – Tasmania 2008

Type of care		Community Based provider	Local Government Provider	All ABC services	Private provider	Total
Centre based care	Licence to care for 0-5 year olds	52	10	9	15	86
	Licence to care for 5-12 year olds	50	24	2	34	110
	Licence to care for 0-12 year olds	37	13	2	19	71
Home-based care Schemes	Family Day Care	2	5	0	2	9
	Family Day Care and In Home Care	2	0	0	0	2
Total		143	52	13	70	278
Total %		51	19	5	25	100

Note: 80 government and 30 non-government schools have one or more child care services on-site. This represents approximately 50 per cent of schools in each sector. Providers are largely community based (75 per cent in government schools and 70 per cent in non-government schools).

The Tasmanian Government provides some co-funding to small neighbourhood child care models through its *Small Capital Works Program*. Local Government supports child care through the provision of council-sponsored child care centres.

Any move by the Commonwealth Government to review the funding model would require extensive consultation with other jurisdictions, the sector and the community. Given the current rate of change being experienced in the sector as a result of the impact of the proposed COAG reforms and in the wake of the ABC Learning collapse, it would not be advisable for any such review of funding to take place at this time.

(ii) and (iii) The matters specified in c (ii) – (v) substantially duplicate the current work program being undertaken by the ECDS in line with the COAG reform priorities. Nationally consistent regulatory and licensing standards and frameworks are currently under development in the COAG process. Qualifications will be included in these standards. The Commonwealth, States and Territories are actively working together to have an agreed framework in place before the end of 2009.

(iv) Nationally consistent training will also be considered by the ECDS in the longer – term as part of the ‘quality’ agenda of COAG.

(v) Data needs are also under active review by the ECDS. The collection of vacancy data has proved to be problematic in the past. Such data needs to be up-to-date and accurate to be relevant for parents and to assist with longer-term planning (eg return to work) rather than providing point-in-time data on current vacancies. Any tools or processes used to report vacancies should be streamlined to reduce the administrative burden on child care services.

d. The feasibility for establishing a national authority to oversee the child care industry in Australia.

A national body to oversee child care has been the subject of detailed discussions in the various COAG forums since early 2008 and has included proposals for the structure, relationships and method of operation. Consideration needs to be given to ways in which a national body, in consultation with States and Territories, could assist in planning for new services and the development of strategies to protect against the opportunistic or predatory duplication of services at the local level.