



Moreland City Council

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Mr John Carter
Committee Secretary
Senate Education,
Employment and Workplace Relations Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Mr Carter

SENATE INQUIRY INTO THE PROVISION OF CHILD CARE

Moreland City Council welcomes the opportunity to make a submission to the Senate Inquiry into the provision of child care.

The child care sector is an under valued industry, where workers are poorly paid and their skills rarely acknowledged. Many of the quality issues facing the sector are due to workforce related matters including inadequate training and lack of career opportunities for staff. The collapse of the ABC group of companies highlights the need for the Federal Government to undertake a comprehensive review of the child care industry to inform future policy directions and funding arrangements. Recent policy statements by the Federal and Victorian Government's recognise the value of investment in early childhood services.

The provision of quality child care, which is accessible and affordable is an essential element in the creation of an effective children's services system. There is a need for significant investment, policy and program development to ensure that children's services develop in line with other essential services, such as health care and schools.

Moreland City Council is committed to the improvement of children's services and to collaborating with all levels of government, community organisations and families to achieve this.

Yours sincerely

Barry Hahn
ACTING DIRECTOR SOCIAL DEVELOPMENT

30/1/2009

Attach.

CC: Cr Toby Archer

Moreland City Council

Submission to Senate Inquiry into the Provision of Childcare

30 January 2009

Background

Moreland City Council (MCC) welcomes the opportunity to make a submission to the Senate Inquiry into the provision of child care. This Inquiry provides an opportunity to evaluate current issues in the sector and begin the reconstruction of a service system that better reflects the needs of children and families, and acknowledges the importance of early education and care in our community. The current body of knowledge on child development provides clear evidence that quality early care and early years education is crucial to our well-being and potential as individuals and as a society. The long-term health and economic benefits of adequately resourcing the early years are well documented. The current situation provides the opportunity to plan and reconstruct a stable, equitable and well resourced early years sector to replace the under-funded, under-valued and limited quality system that we currently have.

Council plays a key role in planning, development, provision of infrastructure and ongoing support to child care providers in Moreland. 10 of the 15 community-managed child care centres in Moreland operate in Council-owned buildings, and Council is the licensee for 5 of these services. There are a further 13 centres operated by private providers.

Council supports children's services through the provision of:

- Direct training, support and advice to committees of management;
- Support for children with additional needs;
- Training and information sessions for staff, parents and the community on a wide range of topics;
- Maintenance and support of Council-owned infrastructure;
- Planning and developing further facilities; and
- Direct services to the community by managing and operating a School Holiday Program and the Family Day Care Service.

Council supports the community management model of children's services in order to empower and connect the community and strengthen community capacity and capability, and considers that a complementary role working in partnership with community-managed children's services is an effective model of operation.

Impacts of the Collapse of ABC Learning

Council has serious concerns about the market dominance that ABC Learning assumed and the adverse effects of this, such as limiting choice of care for families and the risk to the sector as a whole through having one dominant provider. There have also been a number of concerns raised by families and Council employees

regarding quality and equity issues in the ABC Learning organisation. The collapse of ABC Learning represents a failure of child care policy. The provision of child care is an essential community service and as such should not be left to market forces as the primary mechanism for meeting the need for services.

Council has been closely involved in the process arising from the collapse of ABC Learning. There are 6 ABC Learning centres in Moreland. ABC Brunswick has been classified as a "Government Supported Centre" to be maintained by the Federal Government until March 31st to enable it to be sold.

Council has written to the Federal Government expressing our willingness to facilitate the transfer of this centre to a community management model of operation, in the event that the current process does not result in a successful sale. Brunswick has 8 child care centres, of which 6 are community managed and 2 privately owned. Although the number of child care places compares well to other parts of Moreland, Brunswick is a high demand area, and there are extensive waiting lists for places. The closure of ABC Brunswick would result in a significant increase in the number of families unable to find suitable care for their children and would exacerbate the current situation.

The Federal Government has clearly stated that children's services are of high priority, however it is evident that funding allocated to the sector is inadequate. The immediate effect of the government's recent support to the ABC centres has helped families maintain their child care, but it is concerning that risks were not identified earlier, and steps taken to avoid such a collapse. The funding allocated to the ABC centres could have been used to provide a more sustainable form of support to the child care sector, and include benefits to community-managed centres rather than private industry.

The collapse of ABC Learning has required an extensive response from all three levels of government. This unprecedented focus on one industry player has reduced the capacity of governments to support children's services in other ways. In late 2008 Council lodged expressions of interest with the Federal Government to increase the number of child-care services in Moreland. Funding allocations have not occurred and it would appear that the resources allocated to support the failed ABC Centres in the short term has impacted on the level of investment available to the sector as a whole.

Since the collapse of ABC Learning, Council has undertaken significant contingency planning to ensure the ongoing operation of the 6 local ABC Centres. Local government is often the first point of contact for the community in relation to matters regarding children's services, and many assume that Council has total responsibility for the provision of these services.

Government policy and funding arrangements have created an environment that has enabled the rapid expansion of ABC Learning and other private child care providers. There has been minimal growth in the provision of child care by not-for-profit providers. The collapse of ABC Learning clearly presents an opportunity to rebalance the industry and to increase the number of community based providers and to take strategic steps towards improving the integration between child care and other children's services, particularly kindergarten.

Council has experienced a number of practical difficulties in providing support to the staff of privately run child care operating within Moreland. Many private centre staff are either not permitted, or not encouraged to seek professional support. Some private centres, including ABC Centres encourage workers to attend “in-house” training only.

Current Opportunities

Council has identified a number of areas in which funding and support for children’s services can be re-shaped to improve service delivery and outcomes. There is a need for greater clarity and delineation of roles between the three levels of government. At present there is duplication and lack of coordination in some areas. Council sees the roles of the three levels as being complementary, where information and knowledge is shared and each level of government undertakes functions that most suit its skills and resources:

- Federal – Funding and policy direction
- State – Planning, regulation and coordination
- Local – Local planning and support to services

Local government has the task of implementing government policy, within the context of local community needs and as such can provide valuable input into future directions and planning. The stated policy direction of both the Victorian and Federal government’s is to create integrated children’s services where families can have their needs met locally by a range of services working collaboratively to produce the most effective outcomes. The current situation allows government to re-assess and reshape their priorities and seek ways to further encourage the development of integrated centres as opposed to privately operated and often isolated stand alone child care centres.

Council is firmly committed to the integration of services, however their planning and provision demands a level of funding that is beyond the capacity of local government. This needs to be recognised at a Federal Government level and reflected in future funding allocations. Funding needs to reflect the total costs involved and the input and demands that developing integrated services places on local government must be recognised. In addition to funding for new services, the Federal Government needs to resource the issues that all local governments face in the upkeep and replacement of ageing infrastructure, as this is another area where local government does not have the financial resources to act alone.

Quality of Care and Funding of Children’s Services

Inclusion of children with additional needs is an essential element to a quality child care system, and is strongly supported in government policy at all levels. Council has a dedicated and skilled team supporting children’s’ services to integrate children with additional needs. Their effectiveness in working with private centres can be limited by organisational attitudes and practices. This has been an issue with ABC Centres in particular, where good inclusive practice is not demonstrated. Government needs to address this through the provision of stronger advocacy for families and children, clearer expectations of providers, and most of all by including inclusion support as an essential element of accreditation.

At present the Department of Workplace, Education, Employment and Workplace Relations is implementing a new 3 year agreement with Inclusion Support Agencies (ISA's) to provide the Inclusion Support Program. The level of funding offered does not include adequate indexation or recognition of growth, and does not fund ISA's sufficiently to continue to provide a quality program. There is a need to increase the investment in the ISA program to ensure that children with additional needs are provided with adequate support.

Council operates a Family Day Care (FDC) service that offers a high quality service for families who prefer that model of care. The current funding model disadvantages operators of Family Day Care as funding is based on a formula using Effective Full-Time Places (EFT). When the EFT falls, the network funding reduces, hence the resources and support and staffing the Family Day Care coordination unit can provide to care providers reduces, even though care provider numbers may not have decreased. The funding formula does not reflect the workload of the actual children enrolled or the number of care providers being supported. 2 to 3 children can fill 1 EFT, creating 2 to 3 times the workload for fieldworkers compared to one full time child using 1 EFT.

Under the current model operators can never be sure how much funding they will receive, creating difficulties in planning, budgeting and staffing which undermines the ability of the service to maintain a stable and skilled workforce. The funding formula also fails to take into consideration other factors that affect provision of the service, including the time and resources required to contract new care providers, effectively manage waiting lists, and implement new legislation, regulations and guidelines.

As part of an overall review of child care policy and funding there is a need to review the Family Day Care funding model to ensure that operators are able to more adequately support care providers to provide quality care for children.

Conclusion

The child care sector is an under valued industry, where workers are poorly paid and their skills rarely acknowledged. Many of the quality issues facing the sector are due to workforce related matters, including inadequate training and lack of career opportunities for staff. The collapse of the ABC group of companies highlights the need for the Federal Government to undertake a comprehensive review of the child care industry, to inform future policy directions and funding arrangements. Recent policy statements by the Federal and Victorian Government's recognise the value of investment in early childhood services.

The provision of quality child care, which is accessible and affordable to those who need it, is an essential element in the creation of an effective children's services system. There is a need for significant investment, policy and program development to ensure that children's services develop in line with other essential services, such as health care and schools. Moreland City Council is committed to the improvement of children's services and to collaborating with all levels of government, community organisations and families to achieve this.