

**Wheatbelt Organisation for Children's Service**  
**Submission to the Inquiry into the Provision of Childcare**  
**22<sup>nd</sup> January 2009**

The Wheatbelt Organisation for Children's Services (WOCS) is an incorporated not-for-profit organisation that began in July 2005, to address concerns over the long term sustainability of childcare in the rural sector of Western Australia.

WOCS membership is made up of a diverse group of individuals throughout the Wheatbelt and beyond including, child care professionals, local government representatives, parents and community members.

Please find attached a profile of the organisation.

**Terms of Reference**

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

There have been negative financial and social impacts on both parents and employers; however the funding from the Federal Government has offset the full impact of the collapse. Whilst there has been a negative impact on share holders and financial institutions, investments and lending of this form carry a known risk for lenders and investors.

The Governments initiative in putting funds into the ABC Learning conglomerate and media statements have undermined the efforts of community volunteers operating not for profit child care services in the Wheatbelt. Whilst some of these services cover costs or operate with a minimal surplus, there are a number that operate at a loss – primarily services in small communities. All services in the Wheatbelt receive some government funding; however the lack of critical mass of population results in comparatively low utilization rates and therefore income from fees. As a result it is financially unviable for private operators to establish services in these communities therefore it is left to the community (volunteers) to provide child care.

If the value of the time contributed by volunteer management committee members, and the in kind contributions by local government (rental, maintenance etc) were taken into account in calculating operating surplus or deficits many more services would be operating at a deficit. In addition it is often fundraising that enables services to continue to operate and Lotterywest funding that enables the purchase of equipment.

It is unfortunate that the collapse of a large corporation can create such a furor of public interest, whilst the efforts of volunteers and communities that

struggle to remain viable and meet the regulatory requirements for operating a child care service, often at the expense of family time and personal financial outlay, are not publicly recognised.

**b. alternative options and models for the provision of child care;**

Any new model of child care needs to take into account the needs of rural/remote child care services which differ from metropolitan or high density population areas.

Without child care small communities are disadvantage when trying to attract families to their community. In addition the lack of respite can have a detrimental effect on carers without a support network in the community. Overall lack of access to child care to enable parents / carers to access employment, education, respite or participate in civic duties can have an adverse impact on the social and economic sustainability of communities.

As outlined in (C iii) WOCS has been working with the Department for Communities to develop regulations for two alternative rural models of child care.

**c. the role of governments at all levels in:**

**i. funding for community, not-for-profit and independent service providers,**

Current sustainability and operational funding for rural child care services is insufficient. The administrative burden requires a paid position. Small rural and remote communities in the Wheatbelt operate on an extremely tight budget in which the smallest increase in expenses can have a huge negative impact.

The child care benefit (CCB) and child care rebate (CCR) is a parent income based payment. Whilst the Government promotes choice in childcare, in rural communities there is often no choice. Parents / carers who reside in a community that offers state contracted occasional care are not eligible for these payments. This is not an equitable situation. The parent or carer has no options as there is no other child care service and the next service can be from 50 to 100 kilometres away (even further if they reside on a farm). The CCB and CCR should be paid to parents / carers who use any form of licensed child care.

At present, in both metro and rural, a parent/carer may feel their child will be best cared for in a community operated state contracted occasional care service however the parent/carer has no choice but to use either a family day carer or long day care (even if it is privately

operated) if their financial circumstances dictate the need for the CCB / CCR. This situation would impact more severely on low income earners or families with more than one child in care. This situation negates the obligation of parents/carers to ensure the most appropriate care for their child/children.

It is proposed that separate funding be provided to accredited (approved) services to encourage ongoing participation in CCQA, and the CCB/CCR be paid based on parents/carer income not choice of child care service (ie not tied to usage of an Australian Government Approved Service). CCB should be available as a payment to the parent via their fortnightly family tax payments. This would ensure their privacy is upheld and offset the increase in fees that result from increases in the CCB. Parents should still have the right to request subsidised fees if needed. As mentioned the CCB should be available to any parent/carer using licensed child care.

**ii. consistent regulatory frameworks for child care across the country,**

Whilst one regulatory framework that accommodates all child care services would be logical, the needs of rural and remote services need to be accommodated. Many services in the Wheatbelt operate from buildings with exemptions, in addition the part time operating hours of the services, remoteness and low population density results in difficulties attracting qualified staff. Again services operate with staff exemptions.

Providing one set of regulations and accreditation standards with one organisation to respond to will reduce duplication and confusion. At present long day care services have to meet requirements from DEEWR, NCAC and Licensing and Standards Unit (Regulations). This would streamline the process for services and the administrative burden.

**iii. licensing requirements to operate child care centres,**

These should be contained in the regulatory framework. WOCS has worked with the Department for Communities to develop regulations for two proposed alternative models for rural communities: the single staff model and small rural model. These are currently in process of the regulation review and WOCS is awaiting the final outcome of the review process. The need for alternative regulations to be included in a national framework or regulations is essential

**iv. nationally-consistent training and qualification requirements for child care workers, and**

Whilst this is supported in principle by WOCS the part time operating hours of the services in the Wheatbelt, remoteness and low population density results in difficulties attracting qualified staff. Currently services operate with staff exemptions. This would need to be taken into consideration when establishing the training and qualifications.

Access to support and training presents difficulties for rural / remote child care workers. The lack of staff results in the inability to attend training during working hours. Additionally child care workers employed part-time often have other employment obligations limiting their ability to attend training. The distance from regional centres and metropolitan areas also results in increased costs in both time and travel. These factors need to be accommodated when considering implementing nationally consistent training and qualifications.

**v. the collection, evaluation and publishing of reliable, up-to-date data on casual and permanent child care vacancies;**

No Comment

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

This would be in line with developing a National Regulatory Framework which should include one department or national authority overseeing regulations, accreditation and funding. This would eliminate the need to establish a separate body to oversee the industry and avoid duplication. It may however be in line to establish a committee or group within the department to monitor the broader issues in the industry.

**e. other related matters.**

Regulations should include a limitation regulation to ensure there is not a monopoly created by private operators or large not for profit organisations in owning or operating child care services. This will limit the impact of any organisation collapsing and minimize the opportunity for fraudulent use of funds. The implementation of stricter financial reporting by private operators or large not for profits is required to enable monitoring of the viability of organisations. This could possibly be implemented as a condition of receiving any form of government funding or subsidies.