



Submission to the Senate Inquiry into the Provision of Child Care

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About Catholic Social Services Australia

Representing 67 member organisations, Catholic Social Services Australia is the Catholic Church's peak national body for social services. It advises the Australian Catholic Bishops Conference and Catholic Religious Australia on social policy issues as well as supporting the delivery of a wide range of social service programs.

For over 50 years, Catholic Social Services Australia has assisted and promoted better social policy for the most disadvantaged people in Australian society. This continues a much longer tradition of such engagement by the Catholic Church in Australia.

Catholic Social Services Australia has the mission of promoting a fairer, more inclusive society that gives preference to helping people most in need. It is committed to an Australian society that reflects and supports the dignity, equality and participation of all people. To this end, Catholic Social Services Australia works with Catholic organisations, governments, other churches and all people of goodwill to develop social welfare policies and other strategic responses that work towards the economic, social and spiritual wellbeing of the Australian community.

Our members employ around 10,000 people and provide 500 different services to over a million people each year from sites in metropolitan, regional and rural Australia. Services provided by our members include child care, aged care, community care, disability services, drug and alcohol services, employment and vocational programs (including Job Network, Disability Open Employment and Personal Support Program), family relationship services, housing, mental health, residential care and youth programs

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1 Terms of reference

- a. the financial, social and industry impact of the ABC Learning collapse on the provision of child care in Australia;
- b. alternative options and models for the provision of child care;
- 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;
- d. the feasibility for establishing a national authority to oversee the child care industry in Australia; and
- e. other related matters.

2 Summary

The collapse of ABC Learning creates an opportunity to re-examine Australia's approach to funding and managing early childhood education and care.

Evidence suggests that high quality child care can have significant positive effects on children's development, particularly children from disadvantaged backgrounds. A recent OECD study concluded that direct public funding produced superior results to parent subsidy models.

Australian policy makers have chosen to expand the availability of child care by leveraging resources from the private sector and relying on parent subsidy models of funding. The Australian Government has moved away from direct public funding.

Part of the justification for abandoning direct public funding is that by empowering parents as customers, parent subsidies drive improvements in quality and affordability. According to this logic, directly funding community sector providers makes them less accountable to parents and more beholden to public sector managers (whose decisions they attempt to influence by forming interest groups and lobbying politicians). Nowhere in this rhetoric is there room for the idea that a child care centre might relate to parents as *partners* with a say in how their children are cared for rather than as *customers* whose power lies solely in their ability to withdraw funding if they are dissatisfied. Nor is there room for the idea that a

community organisation might be motivated by its mission rather than the drive for more staff, resources and political influence.

Compared with other developed countries, Australia invests relatively little in early childhood education and care. Reliance on subsidies and the private sector is part of a strategy designed to expand supply while containing costs.

The collapse of ABC Learning exposes the risks inherent in a heavy reliance on private for-profit provision of child care — particularly where regulation allows one provider to dominate the market.

Governments should look at reorienting the system towards the needs of children, families and communities — particularly those experiencing disadvantage. Not only can child care be better integrated with the broader early childhood education and care agenda but it can also be better integrated with the social inclusion agenda. The current government has signaled some important initiatives in this area.

Governments also need to reconsider the way early childhood education and care services are funded and delivered — particularly the trade offs involved in containing costs, expanding services rapidly to meet demand and providing high quality care. One of the key questions is the priority early childhood has when it comes to competition for funding.

3 Introduction

The collapse of ABC Learning creates an opportunity to re-examine Australia's approach to funding and managing early childhood education and care. The Australian system is the product of rapidly rising demand for services in an environment of fiscal constraint. Many of the system's problems result from attempts to control costs by harnessing the resources of the private sector.

In turning to the private sector and the market in order to meet demand, governments have come under pressure to limit financial support for the community sector. ABC Learning's collapse also highlights the riskiness of market-based solutions.

Catholic Social Services Australia welcomes the current government's commitment to improve early childhood education and care. However, to reach world best-practice, governments will need to prioritise early childhood and commit to substantial increases in funding.

Integrating early childhood initiatives into the government's broader social inclusion agenda should be a priority. In areas of high need such as those identified in Catholic Social Services Australia's *Dropping off the edge* report this could involve services for children and families which go beyond mainstream child care (Vinson 2007). Delivering these services would involve moving away from rigid silo-based funding models and entering into partnership arrangements with service providers. The community sector is ideally suited to this role.

4 The limits of entrepreneurial government

Many of the disappointments of public sector management are really just a horrible reminder of two problems that plague policy making of all kinds. The first is that the state is an incredibly blunt instrument: it gets hold of one idea and imposes it without any sensitivity to context. The second is the desperate craving of politicians for a magical solution: management theory is expected to restore

people's faith in government, allow governments to cut taxes without reducing services, and square every circle in its path (Micklethwait and Wooldridge 1996: 294).

Politicians and public sector managers have been seduced by the idea that management theory can perform miracles. Management theorists promised to produce spectacular improvements in services without the need for large increases in tax.

This entrepreneurial approach to government championed the rhetoric of markets and business and attacked the supposed inefficiencies of traditional approaches to public sector management administration (for example: Osborne and Gaebler 1992). Founded on the myth that if only public sector bureaucrats were willing to learn from private sector entrepreneurs, government could share in their successes.

What the management gurus do not mention is that copying the private sector means that publicly funded services can also share in the spectacular failures of business ventures like ABC Learning. After all, risk is the essence of entrepreneurship and the price of high returns is accepting a correspondingly high risk of failure.

One of the lessons of the global financial crisis is that when a business becomes 'too big to fail', its owners and managers are risking much more than their own capital and careers.

When ABC Learning embarked on its highly leveraged expansion in the US child care market, it put its Australian business at risk. When financial markets turned, government, parents and children shared in the costs of failure.

The current government has acknowledged the problems with the hands-off approach and stressed the need for greater government involvement.

4.1 Doing more with less

Around the world governments have come under pressure to do more with less. Since the 1960s, spending on income support payments such as age pensions has ballooned, citizens' demand for services such as education and child care has increased, and the cost of delivering these services has spiraled. At the same time, voters have resisted the increases in taxation which would enable governments to expand services through direct provision.

Australia's child care system is a product of this environment. Faced with increasing demand for child care services, the Australian Government attempted to use the private sector and market mechanisms to drive an expansion of services while, at the same time, maintaining quality and equity. It was an attempt to gain greater leverage from limited public funds.

By opening up a market for child care where private sector providers competed on a level playing field with community providers, policy makers hoped to draw private capital into the sector and fund an expansion of places without asking taxpayers to foot the bill. By channeling subsidies through parents rather than through providers, policy makers hoped to transform parents into customers and rely on them to strike a balance between cost and quality (using an accreditation to ensure minimum standards across the board). The assumption was that providers who charged too much and delivered too little would be driven out of the market.

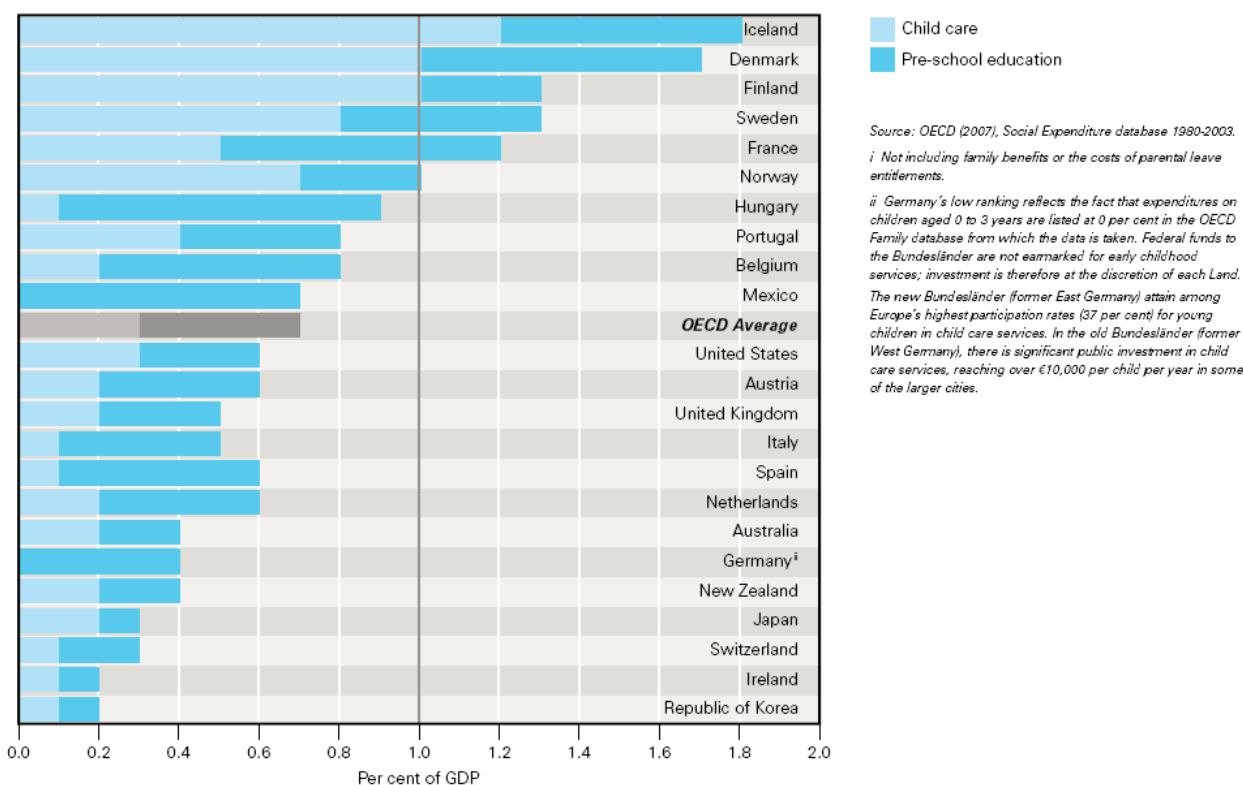
Customer-driven government was one of the mantras of the 1990s reinventing government movement. As David Osborne and Ted Gaebler explained:

The customers public managers aim to please are the executive and the legislature — because that’s where they get their funding. Elected officials, in turn, are driven by their constituents — in most cases, by organized interest groups. So while businesses strive to please customers, government agencies strive to please interest groups (Osborne and Gaebler 1992: 167).

According to this logic, directly funding community sector providers makes them less accountable to parents and more beholden to public sector managers (whose decisions they attempt to influence by forming interest groups and lobbying politicians). Nowhere in this rhetoric is there room for the idea that a child care centre might relate to parents as *partners* with a say in how their children are cared for rather than as *customers* whose power lies solely in their ability to withdraw funding if they are dissatisfied. Nor is there room for the idea that a community organisation might be motivated by its mission rather than the drive for more staff, resources and political influence.

The entrepreneurial formula turned out to be less successful than policy makers hoped. Australia has fared badly in international comparisons of early childhood education and care and a major part of the problem is underfunding. When UNICEF’s Innocenti Research Centre issued a league table for early childhood services (which includes pre-school as well as child care), Australia was ranked third last, meeting only two out of ten benchmarks (UNICEF 2008). A significant contributor to this low ranking is Australia’s lack of investment in both child care and pre-school education.

Public expenditure on child care and pre-school education services, per cent of GDPⁱ, 2003



Source: *The child care transition* (UNICEF 2008: 27)

The problem extends beyond overall funding levels to the way funding is delivered. This was highlighted by a 2006 OECD review of early childhood education and care — *Starting Strong II: Early Childhood Education and Care* — which concluded that:

The evidence suggests that direct public funding of services brings more effective governmental steering of early childhood services, advantages of scale, better national quality, more effective training for educators and a higher degree of equity in access compared with parent subsidy models.

The Danish system is an example of a child care system which combines high levels of funding with direct public funding. About 70 per cent of day care facilities in Denmark are operated by public, community services. Direct public provision is supplemented by independent, non-profit providers who make up most of the remaining 30 per cent. The private sector has little or no role (OECD 2006: 309). Denmark is widely regarded as a world leader in early childhood education and care.

The recent collapse of ABC Learning illustrates another problem with relying on parent subsidy models to create a market for child care — the high risk of business failure when one provider dominates the market. The public relies on governments for a range of core services such as fire fighting, policing, education and health care. There is a legitimate expectation that these services will be available when and where they are needed — not just when it is profitable for a business to supply them or when the economy is booming. Because of its crucial role underpinning child development and parental employment, child care is such a core service.

Australia's experience with ABC Learning shows that the system allows providers to adopt high risk business strategies and avoid taking responsibility for ensuring continuity of service. Taxpayers take care of the downside risk while allowing entrepreneurs and private investors to take the profits when the cards fall their way.

4.2 A mathematical mystery

Just five years ago *BRW* reported that the child care industry was booming. "With profit margins of up to 50% and \$1.6 billion of taxpayers' money flowing into the sector each year," wrote James Kirby, "everyone wants a piece of the child-care action." Now Australia's largest private child care provider is in receivership (Kirby 2003).

When American journalist Barbara Ehrenreich reported on the privatisation of welfare to work services in the US she came up against "that great mathematical mystery: Where will the profits come from?" (Ehrenreich 1997). There's a similar mystery in child care. Are most of the developed world's child care systems so grossly inefficient that Australia's corporate providers can offer a world class service while at the same time generating large profits?

In the opinion of one of our member organisations, Centacare Broken Bay, providing high quality child care:

... is at best a break even proposition in business terms — there is no part of profit from child care operations that cannot be put back into the business to improve service quality and therefore outcomes for children.

4.3 How did we get here?

4.3.1 Whitlam Government

As Australia entered the 1970s, pressure was building for government action on child care. With the *Child Care Act* in 1972 the McMahon Government made funding available for child care through capital and recurrent grants to non-profit organisations (Brennan 1994: 67-68).

The Whitlam Government commissioned a series of commissions and reviews into child care and in 1974 the Prime Minister announced that: "Child care services will be subsidised with parents contributing to the cost according to their means, the main thrust of the program in the first years being to assist disadvantaged children" (Whitlam 1974). According to Deborah Brennan, the Whitlam Government envisaged a system that was responsive to parents and local communities rather than a bureaucratic top-down arrangement (Brennan 1994: 92).

But even under Whitlam, there was tension over costs between the government and child care advocates. Bill Hayden, a minister in the Whitlam government, was particularly scathing about the Social Welfare Commission's report:

Dissatisfaction with the performance of the Commission came to head in the first half of 1974 with a report on child care. This report was regarded as extravagant in its claim for resources, particularly at a time when the government needed to apply certain fiscal disciplines. It was impractical too, with the trained staff required to make it function just not available. The minister responsible, Kim Beazley Snr, and I opposed the proposal. The derision and contumely of the then nascent feminist movement fell thick and fast around our political hides. Yvonne Preston, a prominent journalist noted for her ready adoption of fashionable middle-class causes, condemned me for 'putting on the mantle of the man of "economic responsibility"'. Presumably a carefree dash of economic irresponsibility was preferred (Hayden 1996: 193-194).

The conflict between 'fiscal discipline' and high quality early childhood education and care was obvious. But the real question is not so much about responsibility or irresponsibility as it is about where early childhood ranks on the government's agenda. The needs of children compete with demands for lower deficits, reduced taxation and funding for other purposes.

4.3.2 Hawke/Keating Governments

During the 1980s the pressure to control the growth of spending on child care intensified. Finance Minister Peter Walsh, for example, argued that the cost of expanding child care services was not a high enough priority for the government to justify the costs (Brennan 1994: 180).

The government made two decisions that substantially reshaped the sector. Under the funding model established in the 1970s, child care centres could pass on some of the costs involved in employing more qualified staff. But in the mid 1980s the government shifted to a model that linked subsidies to the number of licensed places. Operational funding was supplemented by fee assistance to needy families (Brennan 2007).

This was followed in 1991 by the decision to extend fee assistance to parents using private for-profit providers. Part of the justification for this was an argument about fairness. Because subsidies for care in the community sector were not readily available for all parents, those who relied on private providers were being treated unequally.

According to Brennan:

Once the decision was made to extend subsidies to users of private, for-profit care, the government placed few constraints on the expansion of such services; any location chosen by private businesses was acceptable. In order to be able to offer Commonwealth child care assistance to parents, a service simply had to be open for a certain number of hours per day and weeks per year, to be licensed by the relevant State or Territory authority and to be registered with the Quality Improvement and Accreditation System. Since non-profit services continued to receive a small operational subsidy that was not available to commercial centres, Labor insisted that planning principles be applied to the non-profit sector. Between 1991 and 1996, the number of places in for-profit care increased from 36,700 to 122,462 or 233 per cent; while the growth in community-based,

non-profit services went from 39,567 to 45,601 places, an increase of 15 per cent ... Commonwealth expenditure on children's services approximately doubled during this period (Brennan 2007).

The rapid increase in for profit care further undermined the influence of the community sector. The fact that only a minority of families were able to access care in the community sector, fueled a sense of resentment that subsequent governments were able to exploit. Rhetorically, reducing funding to community organisations became part of an attack on privilege and inequity.

4.3.3 Howard Government

The Howard Government continued the system's shift towards private, for-profit child care. By drawing the private sector into the provision of child care, the government was able to avoid the need to provide the capital needed for expansion.

In its first budget the government abolished the operational subsidies for community based long day care centres. In his second reading speech, Senator Campbell argued that this change:

... addresses the inequities in Government funding between families using private long day care centres and community centres. The removal of operational subsidy will place community based long day care centres and private long day care centres on an equal footing. It will also encourage greater competition and efficiency (Campbell 1996: 5321).

Changes to policy combined with the easy availability of credit in the private sector fueled a boom in corporate child care. In 2003 *BRW* magazine reported on an industry heading for trouble. The ability to turn government subsidies to parents into profits for investors was attracting keen interest in the business community:

There are few barriers to entry and expenses are low, so the child-care industry is a licence to make money. A Gold Coast real estate agent and "child-care specialist", Bryan Hayden, says: "I've got a client and he's got 20 bottle shops, 10 hotels and three child-care centres. I say to him, 'I'm 77 and the child-care business is the best business I've ever seen in my life.' The Government pays subsidies, the parents pay you two weeks in advance and property prices keep going up" (Kirby 2003).

Even without ABC Learning, corporate child care would have been ill-prepared for the financial crisis to come.

There is good reason to think that the rapid growth in child care in Australia has been bought at the expense of quality and stability.

5 Opportunities for reform

The collapse of ABC Learning highlights systemic problems with child care in Australia. By doing so it creates an opportunity for reflection and reform.

Governments should look at reorienting the system towards the needs of children, families and communities — particularly those experiencing disadvantage. Not only can child care be better integrated with the broader early childhood education and care agenda but it can also be better integrated with the social inclusion agenda. The current government has signaled some important initiatives in this area.

There is an opportunity to do more for families whose children have special needs. Some of our member organisations report that offering adequate care to special needs children is

resource intensive and inadequately funded. A greater focus on social inclusion would mean funding providers in a way that encourages them to make more places available to children with special needs as well as those from families where parents are unable to pay fees (for example, refugees and asylum seekers).

Governments need to reconsider the way early childhood education and care services are funded and delivered — particularly the trade offs involved in containing costs, expanding services rapidly to meet demand and providing high quality care. One of the key questions is the priority early childhood has when it comes to competition for funding.

6 Response to the committee’s terms of reference

6.1 Impact of the ABC Learning collapse

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

6.1.1 Impact on children

Consistency, reliability and stability are key to children forming attachments to others, and the ABC collapse will bring significant uncertainty for children and their parents. Some of the many children who have since been removed from ABC centres due to parents' uncertainty about centre closures or those whose 55 centres have closed, will have sustained some impact from the ABC collapse.

6.1.2 Impact on parents

Child care not only supports childhood development, it allows parents a stable framework of care which enables them to participate in the labour market. Stability and predictability in care allows parents — and especially mothers — to develop their full potential as workers and business people.

When child care becomes unstable or its quality becomes unreliable, this disrupts parents' working lives.

Many parents are already ambivalent about sharing the care of their children with others. The collapse of ABC Learning has added to this ambivalence. For many parents their confidence in the child care system has been shaken. Publicity about cost-cutting and substandard care in some for-profit centres has undermined their confidence in the government's ability to regulate and their own ability to judge the quality of a service.

6.1.3 Impact on the child care sector

Even before its collapse ABC Learning and other corporate providers had a profound effect on public perceptions of child care. Instead of being seen as a public good, child care became just another subsidised commodity that is sold to parents for a fee.

Ultimately the commodification of child care is the result of government policy. Even the Department of Education, Employment and Workplace Relations (DEEWR) treats child care as if it were nothing more than a service to parents. According to DEEWR's annual report the outcome for Early Childhood Education and Child Care is “Children receive quality early childhood education and child care that meets the needs of their parents.”

Child care has the potential to be much more than this. By supporting early childhood development it is an investment in the economic, social and spiritual potential of future citizens. By developing the human capital of children from disadvantaged backgrounds it can promote economic equality. And by improving the productivity of the future workforce it can enable Australia to better manage the consequences of an ageing population. Child care is much more than a commodity which meets the immediate needs and desires of parents.

6.2 Alternative options

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

6.2.1 Needs-based allocation of resources

Early childhood education and care services have the potential to benefit children, parents, local communities and Australian society as a whole. But to reach this potential, services and resources need to be targeted according to need.

Allowing the market to allocate child care places and funding means passing over opportunities to invest extra resources in areas of high need such as the neighbourhoods identified in the report *Dropping off the edge* (Vinson 2007).

The Australian Government's promise to establish up to 260 child care and early learning centres across Australia, targeted at high needs and disadvantaged areas, is an important step in this direction.

6.2.2 New models of accountability

The community needs to think more broadly about models of accountability. Currently many parents relate to people and organisations who share in their children's care as customers. If they are not satisfied with the standard of care, they can shop elsewhere.

The other accountability model in the current system is accountability through regulation. This is aimed at maintaining minimum standards.

But beyond the competition and regulation models, are a range of other mechanisms. For example, in some community centres, staff engage with parents as partners in the care of children. Parents not only have choice, they also have a voice in how the centre runs.

Some of the larger community sector providers with multiple sites also have their own internal mechanisms of accountability. Parents and the community can rely not only on the reputation of the individual centre, but also on the reputation of the larger organisation of which it is a part.

6.2.3 Integrated services for children and families

Governments have fragmented the delivery of community services by creating a myriad of individual programs and funding streams. While this creates clear lines of accountability within government, it creates problems on the ground. In recent years governments have recognised this problem and attempted to create 'joined-up' or 'whole of government' solutions.

It is now widely acknowledged that the distinction between child care and early childhood education is artificial and counter-productive. In many cases the separation of services for children and services for families are equally unhelpful.

Integrating care for children with support for families can be particularly valuable where families are experiencing challenges such as separation, mental or physical illness, substance abuse or domestic violence.

This is a view expressed by some of our member organisations such as Centacare Brisbane, Centrecare Broken Bay and St Michael's Family Centre in Baulkham Hills. Centrecare Brisbane and Centrecare Broken Bay operate integrated family centres and, as a service provider for NSW's *Brighter Futures Program* as well as a child care provider, St Michael's is striving for greater integration of services.

For example, one of our 67 members, Centacare Broken Bay, already operates an Integrated Family Centre model. Staff at this agency see significant advantages to child care providers (and hence children and families) having close links with community agencies that offer a range of family services including parenting education and support, family support and specialist welfare and health services. Such links are particularly important to disadvantaged families and children.

Centacare Broken Bay Family Centre services operate from sites in Waitara, Naremburn, and Brookvale (in Northern Sydney), and the Central Coast (at Wyong and Gosford). Each Family Centre works with families to assess family needs and aspirations and provides the appropriate services required to help families improve their relationships; parents develop their parenting skills; and children reach their developmental milestones. Depending on each family's circumstances, Family Centres work jointly with other agencies or refer families to other agencies that can meet their individual and family needs.

Centacare Broken Bay Family Centres each sit at the intersection of many funding streams and provide a range of family and parenting services that directly address family well-being, parenting, relationship skills, and early childhood development. Centacare Broken Bay's current child care provision sits within this framework and is strengthened by the flexibility inherent in the model as it offers families seamless transitions to other types of services within Centacare Broken Bay as the family's needs change and develop over time.

Each Family Centre is different in its type and level of service provision because each is responsive to the particular local levels of resource availability and community need. Typical services provided at Family Centres include: family support services, family dispute resolution services, family relationships counselling services, family relationship education and skills training, domestic violence court support, fathers' education and support programs, and a range of direct children's services such as (for example, at Waitara Family Centre) long day care, before and after school care, occasional care, vacation care, family day care, in-home care, and supported playgroups.

Centacare Broken Bay also provides, as part of its Integrated Family Centre model, specific ageing and disability services, such as respite and flexible respite services, day services, community participation programs, transition to work, recreation and peer-support programs and advocacy, and support to individuals with disabilities and their families. Thus, families with specific needs, or specific challenges, can access the same generalist services as other families in the community, but with the capacity to access the specialised services they need when they need them. It is important to note that each

Family Centre is not just a physical location, but each forms the nexus of a network of resources for families, parents, and children, that links them to their local communities, services and support groups.

In Catholic Social Services Australia's view, there is merit in linking child care providers to child and family centres such as Centacare Broken Bay's Integrated Family Centres particularly if children are from disadvantaged backgrounds and the child care placement is one part of a planned intervention that seeks to address other issues for the child and family. Even where this is not the case, linkages between child care centres and family centres provide avenues for parents to access family and parent support services through a conduit that is familiar and accessible to them.

6.3 The role of government

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.

Past governments have attempted to rely on a combination of accreditation and market competition to ensure quality and availability. Catholic Social Services Australia supports recent government decisions to move beyond this model by, for example, establishing 260 child care and early learning centres across Australia, targeted at high needs and disadvantaged areas.

Government needs to take an active role in ensuring that the needs of disadvantaged children, families and communities are met. Care for children is more than a commodity that helps parents participate in the labour force.

6.3.1 Funding for community, not-for-profit and independent service providers

The government should reconsider its position on direct funding for child care providers. While community providers have adapted to the removal of operational subsidies the shift has had a negative effect on their ability to provide a quality service.

At the root of the problem is the competitive model of service provision which creates demands for a 'level playing field.'

As governments move to integrate early childhood education and care, policy makers should consider a wider range of funding options. It is worth noting the OECD's argument that direct funding is associated with higher quality care (OECD 2006).

6.3.2 Consistent regulatory frameworks

Unlike some European countries, Australia has developed two separately funded early childhood sectors – one a care sector developed as a by-product of labour market policies

and concerned with the care of children, but with a weak child development agenda; and a second, early education (or pre-school) sector providing an early learning environment without necessarily having adequate resources or qualified staff to do so (OECD 2006).

The Council of Australian Government's recent discussion paper on a proposed national quality framework for early childhood education and care describes this as a "false distinction between 'education' and 'care'" and notes that a greater understanding of the learning strategies of young children, and their capacity to learn from birth and in different settings, will (and should) blur the distinction between the two. It further notes that given the evidence about the value of early childhood education, traditional child care settings need to refocus on learning and development (COAG 2008).

High quality child care has been shown to have significant positive effects on the development of children, particularly those from disadvantaged backgrounds (Votruba-Drzal 2004; NICHD; Duncan 2003; NICHD 2004, 2005). As Barnett in a review of the long-term effects of early childhood interventions concluded, such interventions can produce "sizable persistent effects on achievement, grade retention, special education, high school graduation and socialization" (Barnett 1995). High quality child care can also mitigate the adverse effects of less than optimal, or abusive environments on children (Sylva et al. 2004) and allow children to recover cognitive, academic and behavioural functioning consistent with their developmental milestones.

Catholic Social Services Australia supports the view that traditional child care settings need to refocus on learning and development, with the caveat that "early childhood education" should not just be seen as "academic preparation" or learning based on "school readiness" principles. Children's development requires approaches that cross many domains: play; physical health and development; social and emotional maturity; children's own approaches to learning; cognitive development; and language and communication. Further, child care is not just about care and education, it is also about fun. If we are interested in the well-being of children, they need *fun + care + learning* to make them *happy + safe + well*.

Catholic Social Services Australia supports initiatives consistent with the Australian Government's proposed national quality framework to achieve an integrated national approach for the provision of high quality early education and care for children as the basis for achieving consistent regulatory frameworks by the States.

6.3.3 *Licensing requirements*

Catholic Social Services Australia supports nationally consistent licensing arrangements provided they raise, not lower, existing standards.

Given the risks involved in allowing corporate providers to control a large share of the market and run local monopolies, governments should take steps to prevent this from occurring in future.

6.3.4 *Nationally-consistent training and qualification requirements*

Catholic Social Services Australia supports a nationally-consistent framework for the training and qualification requirements for child care workers providing these requirements do not lower standards already existing in some states. National standards should not settle on the lowest common denominator.

Some of our members have expressed concern about the quality of accredited training. Merely increasing the number of staff with qualifications will not automatically guarantee quality.

6.3.5 The collection, evaluation and publishing of reliable, up-to-date data on casual and permanent child care vacancies;

While Catholic Social Services Australia sees the value in having reliable, up-to-date data on casual and permanent child care vacancies, to be useful this would require the collection, aggregation and dissemination of local data within very short time frames and with little time lag. Presumably, this would require an internet-based data collection system and investment by service providers in suitable IT and broadband technologies; investment that is difficult and time consuming for all providers, particularly small providers and those operating in regional and remote locations.

6.4 A national authority

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

The Senate Inquiry may benefit from examining the operations of the UK Office for Standards in Education, Children's Services, and Skills (*Ofsted*). Since April, 2007, in the UK, when a number of Government inspectorates were combined, Ofsted, which reports directly to Parliament, has had the remit to regulate and inspect children's social care services. These include children's homes, residential special schools, residential family centres, boarding schools, further education colleges, local authority and adoption and fostering services, private fostering arrangements, voluntary and independent adoption agencies, adoption support agencies and child care providers.

The inspections are to ensure compliance with National Minimum Standards and the needs of children and young people who use the services. The results of the individual inspections are publicly available from the Ofsted website and provide detailed information as to the agency or service compliance with minimum standards and an overall assessment. While the fact that particular child care providers are accredited is available in Australia via the National Child care Accreditation Council web site, and a Quality Profile Certificate (where issued) providing an overview of the quality of care at the service is available from individual centres, there is no detailed information that is both publicly available and easily accessible to parents and families.

Catholic Social Services Australia would welcome a national authority to oversee early childhood education and care in Australia only if it were to replace current State arrangements – the industry does not need another level of bureaucracy and a further set of accountability requirements.

The authority should not serve to further entrench the division between child care and early childhood education.

7 References

Note: Sections of this submission are adapted from Centacare Broken Bay's submission to the inquiry. Centacare Broken Bay is a member of Catholic Social Services Australia.

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