

Inquiry into the provision of childcare

Attention:

Mr. John Carter

Committee Secretary

Senate Education, Employment and Workplace Relations Committee

Terms of reference

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

The collapse of ABC learning demonstrates that the market driven policies of the last decade have failed. Parents clearly have not had the freedom to choose centres of their choice as aggressive market forces have created a dominance by the corporate provider with the loss of many smaller community or for-profit centres.

We believe that families will be affected by the ABC Learning collapse as they lose confidence in child care and the role that Government plays. Families may be adversely affected if they are unable to meet work commitments, particularly those families who are sole parents or socially isolated, who have no extended family or who are unable to access alternate child care arrangements at short notice.

The impact on the child care sector is two-fold. The community based, not-for-profit sector have argued for years that the provision of child care services should not be a profit-making venture. Many community centres have struggled financially and some have closed since the cessation of operational subsidy to the community sector and it may be difficult for services to reconcile the support given by the Government at the collapse of a for-profit corporate enterprise when funds have not been available for other failing centres. The private sector may suffer a loss of confidence from families and future potential users as they see the collapse of a private enterprise, particularly one that has come about through tacit government approval both for its ethos and its unrestricted expansion.

The community based sector has been unable to access capital upgrade support from Government for some years – views within the sector suggest the large investment in propping up a corporate sector could have been more appropriately spent on community infrastructure.

It is hoped that the collapse will result in a thorough analysis of what went wrong and the development by Government of realistic child care strategies. For example it had been promoted that ABC had a successful 'business model' which small stand alone centres (community or for-profit) could not replicate. It was reported in the media that ABC spent in the vicinity of 60% of gross fee and subsidy earnings on salaries. Yet small stand alone centres spend in the vicinity of 80% of gross takings on staff salaries. This discrepancy should have been properly investigated by Government. Quality child care is labour intensive and economies of staffing can only result in a lesser service to children and families. It is not an area of practice that can be made more efficient.

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

It is time to investigate the efficacy of a predominantly market driven model particularly in light of the knowledge of the critical importance of the early years, the value of early childhood services to support parenting and the

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aspirations for integrated service provision. It is time to move beyond the notion of child care as 'baby sitting' (as the reality has already moved well beyond this) and to challenge the dichotomy between early education and care services. As a community we need to seriously look at the merits of a market driven system to possible benefits of a mixed system that provides some 'supply' driven funding, (Cleveland & Krashinsky, 2001). Early childhood programs including child care have significant potential in an emerging social infrastructure approach to service provision (for example, Through the Looking Glass parenting intervention project).

We believe that ownership of child care centres should be restricted to ensure this cannot happen again. This suggests that the corporate child care provider model should be disbanded. Restrictions should be placed on ownership to retain manageable groups of services. Considerations could include measures to prevent corporate owner trading under different names. There should also be a restriction on the amount of profit that services can achieve (particularly when this is at the expense of quality child care) and a minimum amount of profit should always be returned to the business for the future development of the service to benefit children and families.

Measures need to be considered to ensure that child care providers that conduct their own accredited training ensure that their students have placements in other centres. In order to preserve the integrity of children's services, Diploma qualifications students need exposure to a range of practice, ideas and philosophy.

In developing future understandings of child care models there needs to be recognition of the complexity of service provision that includes multiple demands of community, families and allied health services that support children and parents. There are currently many successful community based models of child care and preschool provision and the Government should actively be seeking to consult with and learn from these services. Future funding should be based on 'supply' side principles ensuring that viable quality services are supported. This would provide an incentive for all services to provide high quality community services within their local communities.

c. the role of governments at all levels in:

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

We believe community and not-for-profit services, in providing a service from which there is no personal gain in the form of shareholder profit, should be secure in funding support by government. This is particularly important for centres in low-socio economic areas that experience the most complexity and where families have least capacity to pay. Potential exists to create improved funding models through the integration of early education and preschool. Centres should be accountable to provide quality services. It may be possible to ensure that funding is tied to the provision of a quality service which meets above minimum standards.

- ii. consistent regulatory frameworks for child care across the country;

We believe that consistent regulatory frameworks, working conditions, ratios, etc, should be standard across the country. Children have a basic right to receive a standard of care regardless of the service they use (this is inclusive of ALL early childhood services - whether preschool/kindergarten, Early Learning Centres attached to private schools, community or private services. The implementation of national quality standards for staff/child

ratios, group sizes, qualifications and space allocations is critical to achieve quality early childhood outcomes.

- iii. licensing requirements to operate child care centres;

We believe these should be integrated with quality standards to avoid duplication. We also believe that all licensing requirements and quality standards should ensure that children's rights are paramount, families are integral and the programs offered are of an agreed quality. All licensing and quality checks should be undertaken by early childhood qualified staff that have recent experience in the sector.

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

We believe that all staff should meet the same training and qualification requirements which are consistent across states. All staff working in early childhood services should be qualified to a Diploma level as a minimum, reflecting the results of research which shows the impact of training on the quality of care and education for young children. Funding models should include the provision of qualified early childhood teachers within centres with appropriate remuneration. Such an approach would go a long way towards alleviating the critical workforce issues currently impacting on child care.

While remuneration remains at the current inadequate levels there is little chance of achieving Government goals of quality responsive services. Nationally consistent qualifications and improved awards may support the development of career structures within the child care sector which would also be a major contributor to address the workforce shortage.

Training approaches need to recognise the importance of ongoing professional development and learning once a qualification is achieved. As in education sectors, ongoing staff development is essential for quality service provision and to support centres to be able to grow and respond to changing demands and complexity (PSCA National research conducted by Access Mq, 2008).

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

We recommend that an evaluation be undertaken of the effectiveness of the vacancies in supporting families to access services. If the data is important, then collection processes should be simplified and not require large amounts of staff time to collate.

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

We believe this could ensure greater consistency across states and services, as long as this authority has appropriate qualifications and the sector is given the opportunity to participate in meaningful consultation on all issues regarding the sector. Furthermore we would recommend discontinuing the use of the term 'industry' to describe a critical social and educational service.

- e. other related matters;

We believe that well-qualified and trained early childhood leaders are the key to a sector which is able to offer quality early childhood education and care for children and families. We believe this can best be achieved through the community sector due to their ethos regarding major financial

decisions impacting on children and families. We believe there would be significant improvements to the quality of care and education as well as accessibility to the early childhood sector by all families, should the government support services financially.

References:

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