

CCNA

CHILD CARE NATIONAL ASSOCIATION

ACN 082 840 908

Committee Secretary
Senate Standing Committee on Education, Employment and Workplace
Parliament House
Canberra ACT 2600

Dear Mr Carter

In accordance with the Committee Terms of Reference CCNA suggests the following submission presents the considered view of a number of eminent child care industry elders who are ready to substantiate these submissions.

Child Care National Association (CCNA) is Australia's national child care community and private sector, not-for-profit and for-profit business organisation. CCNA was formed in 1996 (and was ASIC incorporated in 1999 as a non-profit national association) to bridge the private/community sector children's services divide presenting business solutions in the children's services areas for families and their children rather than just sectional interest solutions.

With a combined executive experience of around 150 years we strongly support quality affordable accessible Australian child care and support continuous improvement in Australian Early Childhood Education & Care (ECEC). We are of the informed view that Australian formal child care is in fact world class and that the 2006 OECD Starting Strong II report was demonstrably unbalanced and irrelevant to Australian formal ECEC actual provision.

Senate Committee 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.

Terms of Reference Submissions (more detailed submissions were provided to Committee Senators in Canberra on 14th August 2009)

- a) The financial, social and industry impact of the ABC Learning collapse on the provision of child care in Australia unfairly tarnished the image of Australian child care.

(CCNA views relate to national viewpoints and in no way suggests that in specific areas local impacts did not occur as a result of the ABC collapse. This particular aspect would be very significant where ABC operated for example the only local rural or remote child care service. Clearly in such cases local impact would occur with local reviews and with local solutions needed.)

For some time prior to the ABC collapse it was general industry knowledge that as with many of Australia's formal child care providers, the ABC childcare group centres were significantly less than full with children with a significant percentage of ABC services/centres (some suggested 20 percent) believed sub-viable. For some time prior to the ABC collapse ABC had been 'consolidating' children into fewer centres and mothballing, selling or otherwise disposing of their surplus centres. The financial impact of the ABC collapse largely relates to the government contribution to ABC receivers and the conditions applying to those contributions. As the ABC group remains with a significantly higher value than the Commonwealth contribution perhaps the government contribution may be recoverable from the ABC group assets. CCNA is aware other child care providers have questioned when they may access such proportional financial support for their operations especially if same is not to be recovered by the Commonwealth as it would provide unfair financial advantages to ABC group services as opposed to all others.

Perhaps the greatest social impact of the ABC collapse was on families. Uncertainty as to the future of your centre was an added pressure families did not need. As prior to the ABC collapse period, Australia wide there has been general staff shortages, CCNA is unaware of any ABC staff who were adversely affected by the ABC collapse (except for by relocation). Essentially as children were moved by either ABC, the ABC receivers or by family choices, staff moved with the children (as staff ratios drive industry wide staffing).

CCNA is of the strong view the industry effects of the ABC collapse have been overstated mostly by the media and by opportunistic groups pushing their personal barrows. As the number of children in care has remained basically unchanged, as there was some underutilization of children's services generally nationally and some consolidation was justified and has occurred, all families and children have apparently been placed with some relocation. The ABC group only ever represented some 20 percent of formal childcare provision in Australian children services though the ABC founder had been

very successful having the media, the stockmarket and the public convinced that ABC was the majority of Australian children's services. That was never a fact.

CCNA sees no implications from the ABC collapse for changes to government policy in relation to the distribution provision of private and community based childcare provision. It is a fact that the Labor government policies of the early 1990's affected massive increases in both the quality and the quantity of Australian formal ECEC services of all types. The ABC collapse has simply reminded and highlighted to all the variable viability of both community based and private provided formal childcare.

CCNA again raises the financial advantage the ABC group has enjoyed compared to all other services be they community based or private providers should the Commonwealth government bridging funding not be recoverable from the ABC group assets.

- b) Alternative options and models for the provision of child care are hard to envisage for Australian families. A very wide spectrum of Australian existing options and models has developed over some 100 years of families and children's needs and well provides for Australian families with largely met demand as demonstrated by an under utilization in formal childcare across Australia. As CCNA has advised the real spectrum of Australian childcare is remarkably wide and diverse. Latest Australian Bureau of Statistics ABS 3101.0 Australian Demographic Statistics released 4 June 2009 indicate on page 18 some 1.4 million children are 0-4 years old with a further 2 million children of 5-11 years of age. ABS4402.0 Childhood Education and Care released 29 July 2009 indicates on page 37, 41% of Australian 0-4 year old children attend no childcare and 26% attend informal childcare only (where informal care includes care with grandparents, other brothers/sisters, other relatives or other persons). Conversely, only 1/3 of 0-4 year old children attend formal child care which has some form of regulation. Page 37 goes on to show that in the 5-11 year old group only 1/7 of children attend formal childcare. This is important information for the Committee to put a factual framework in place and to consider. This actual childcare position is not well understood by media groups or by many vested interest groups.
- c) Government roles:
- i. Funding for community, not-for-profit and independent service providers would seem about right based upon the broad spectrum of existing family childcare services with the exception of the continuity collapse funding provided to the ABC group. A level playing field should be provided for all Australian childcare sectors and for all families and their children equally.
 - ii. Consistent regulatory frameworks for childcare across the country are supported by CCNA where evidence based affordable clear and concise national standards can be developed. A significant consideration for such proposal is that the existing spectrum of generally satisfactory services for families is working with one size not fitting all. A clear example of this is the differences between nannies or family day care and centre based childcare. In the first case, only one adult is

present with the children. In centre based childcare more than one adult is present with children. Both work reasonably satisfactorily with cost bases that families appreciate and personally choose. This example provides clear evidence that there are variable acceptable child and staffing relationships that work for Australian families and their children. CCNA is very certain that were eight or more children from formal childcare from different States and Territories around Australia put into one room for Committee Senators consideration, Senators could not reliably pick which type of formal childcare or from which State or Territory each child attended. What is highlighted by such a test is that while there is a real the spectrum of State and Territory evolved regulations, the regulations will be difficult to consolidate if no regulation positions are to be reduced. On the other hand, there is a clear difference between regulations and standards. From the above test, there is a clear evidence base for starting any national standard with the lowest State and Territory regulation as the national standard that no reduction in standards occurs. It is arguable that regulations above this base standard are without an evidence basis and have simply evolved without evidence. Any rush to highest denominator regulations is without evidence and guaranteed by the spectrum of regulations round the country to increase the costs of childcare for all Australian families in every State and Territory of Australia without commensurate benefits. Any such proposal will drive families from formal childcare into informal and backyard childcare.

- iii. Licensing requirements to operate child care centres. Comments here are as for ii above but for all children's services as the important consideration must be all Australian children equally.
 - iv. Nationally-consistent training and qualification requirements for child care workers are within the comments, above already in place.
 - v. The collection, evaluation and publishing of reliable, up-to-date data on casual and permanent child care vacancies are already well advanced and generally close to being in place. What is required is government collation and publishing of the data. Such information has been available to the Commonwealth government since the 1990's, though the data analysis and publishing steps have been somewhat variably piecemeal. Release of national data could reduce family's stresses and suggest options for families, providers and policy makers.
- d) The feasibility for establishing a national authority to oversee the child care industry in Australia could be best advanced by using the existing NCAC organization. It is now a mature organization even though like everything else it also needs continuous improvement. As CCNA understands NCAC is currently grappling with the significant differences (required by families) between centre based childcare and the home based family day care. Such

- e) Other related matters **firstly** includes that the quality of Australian child care is world's best and should be celebrated as such nationally and internationally. Australia has many international visitors that study how well we do it in Australian childcare already. **Secondly**, another related matter is that the current DEEWR COAG Regulatory Impact Statement (RIS) is far from complete. The RIS has virtually nothing on full spectrum national standards as they are currently undefined and suggestions on page 37 section 6.3.5 of the RIS that all other national standards are "unlikely to change the (RIS) results significantly" must be considered without basis and almost certainly incorrect or misleading where such standards are currently undefined (refer c ii above). Finally, **thirdly**, the relatively new industry Civil Penalties are unnecessarily excessive and frightening for the industry. CCNA thanks Senators for their consideration of this matter on 14th August. Such consideration does not adequately address industry concerns with respect to the justification for such DEEWR penalties, especially given the nature of the DEEWR CCMS systems. CCNA continues to be ready to work with DEEWR to ensure Commonwealth childcare funding/expenditure is fully and properly accounted for to the Commonwealth Parliament.

We remain, yours sincerely

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Chris Buck - National President.

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