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**SUBMISSION
INQUIRY INTO THE PROVISION OF CHILDCARE**

WRITTEN BY

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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,
 - 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.

RESPONSE

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

Recommendations

Recommendation 1

The community services sector has sustainable solutions. Government to engage to consider proposals and to ensure the sector judges it has been heard.

Recommendation 2

Government solutions to take into account minimising the impact on children [their developmental need for a consistent care environment], parents and staff. Staff offered support and incentives to remain in the industry. Government ensures that parents affected by the collapse, experience confidence to continue in the workforce.

Recommendation 3

The Australian Government reviews policies, planning and financial assistance for the provision of childcare based on consultation.

Recommendation 4

Those ABC Learning centres that government identifies as being suitable for community based management go out to open tender. Interim management options could be implemented.

Supporting Discussion

There has been much rhetoric addressing the financial, social and industry impact of the collapse of ABC Learning. Highlighted through this is that childcare is considered an essential service for a vulnerable group and that government should consider whether there is a place for shareholder profit in the provision of childcare services. If this occurs the discussion may have to extend to other vulnerable groups such as in aged care. Certainly the collapse has provided opportunity for community services and activist groups to highlight the need for government to pay attention to the industry sector.

The most significant impact is on the children, staff and parents directly affected. Research tells us that it is not conducive to child development for children to experience significant changes in their care environment that could disrupt the bond with their caregiver/s. Parents and childcare professionals understand the importance of maintaining stable care environments [particularly relationships] for children to successfully development.

Currently there is a lack of childcare staff in the industry and every effort should be made [and incentives provided] to encourage staff to remain in the industry. The collapse of ABC Learning may result in ABC Learning staff leaving the industry.

The disruption and uncertainty of care for children may impact on parents continuing in the workforce. The cost of childcare and now the inconvenience of finding alternative care, supported by parents concern for their child's development [due to impact of a change in caregivers], may result in some parents opting to leave the workforce.

There is a significant concern about government propping up corporate childcare at a considerable cost while failing to provide anything but an interim solution that offers no certainty to children, parents or staff. The community services sector is willing and has the

ability to take on responsibility for ABC Learning centres with a range of solutions having been submitted. The community services sector is in dismay at what seemingly appears to be a lack of response by ABC receivers and the Australian Government to engage with organisations that are putting forward sustainable solutions to the current situation.

The collapse of ABC Learning provides a strategic opportunity for the community services sector [and perhaps small business] to gain financial benefit should they take on management. Although childcare may not deliver profit margins that would benefit shareholders, childcare centres can be operated in such a way to profit a community based organisation and perhaps a small business provider.

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

Recommendations

Recommendation 1

A choice of service providers [models] remains available to the community. Wherever possible that choice is facilitated by planning, consultation and cooperation not competition, especially in rural and remote communities where options are limited.

Recommendations 2

Corporate chains and, childcare services set up primarily to meet the needs of an organisation/business must demonstrate a commitment to ongoing corporate responsibility in order to receive government subsidy. Stringent government controls to be put in place in terms of concentration of ownership, impact on communities/other providers and over and under supply.

Recommendation 3

Independent [small] not-for-profit and local government childcare services have access to government funding to source expertise that alleviates the pressure placed on services to meet the administrative, internal training, regulatory, legal, financial, human resource and industrial responsibilities of operating a childcare service. This could be contracted in.

Recommendation 4

Distribution of childcare services across community based not for profit organisations is planned to ensure there is not a concentration of ownership by one or two large providers in each region/state.

This should not apply in rural and remote areas, where services are small or a number of services are required to create economies of scale to support viability.

Recommendation 5

Support for centralised management and governance “hubs” that provide expertise in the administrative, internal training, regulatory, legal, financial, human resource and industrial

responsibilities of operating a childcare service. These could be provided by not-for-profit organisations with services contracted by independent not-for-profit and local government services but could extend to independent for-profit business. These could be partly sponsored by government funding [see Recommendation 3].

Supporting Discussion

Childcare provision can be classified into types being: independent not-for-profit services or community based not-for-profit organisations, independent for-profit businesses, corporate chains, local government sponsored services and services established to primarily meet the childcare requirements of an organisation/business.

The risks have been realized through the experience of ABC Learning, representing the corporate chain model of childcare service delivery. Perhaps government should be considering whether there is a place for shareholder profit in the provision of childcare services but this discussion may then have to extend to other vulnerable groups such as in aged care.

A research project undertaken by the Australian Institute on Child Care Quality in Australia (April 2006) identified *“for all the aspects of quality care investigated, results show that community-based long day care centres offer the highest quality care. Independent private centres offer a quality of care that is usually similar to the high quality offered by community-based centres. Corporate chains offer the lowest quality of care on all aspects of quality surveyed, and in some cases it is markedly lower than that provided by community-based long day care centres.”*

The idea of community managed childcare came out of the Whitlam Government when the delivery of childcare was far more simplistic and grants were provided. Nowadays, childcare services operate under increasing administrative, regulatory, legal, financial and industrial responsibilities of a small business. The demands of work and raising children, often means there is insufficient time to commit to volunteering to manage a childcare centre at the level required. Many community based management committee members are unable to give the time required. Much of the responsibility falls to the coordinator/director who strains to meet these requirements and the day to day operation of the centre. This eventually affects all staff, and therefore the quality of care for children.

Although it is evident that independent not-for-profit community based services can provide high quality care that is responsive to local needs and affordable, that additional support may be required to ensure adequate staff training/support, compliance to standards and in meeting administration and governance requirements.

Similarly for local government sponsored childcare. Often local government is able to support childcare services by providing facilities, above award wages and staff incentives, however as childcare is not their core business they lack the expertise to provide the

service delivery assistance required. In recent times, increasingly, local government managed childcare centres have been either closed or transferred to community based not-for-profit organisations.

CSSU undertook research completed in 2001 to investigate “Alternative Management Models for the Community-Based Childcare Services in the Pilbara region”. It was identified that there were benefits in amalgamating a group of childcare services under one management group to ensure high levels of management expertise and financial viability while freeing childcare staff from administration and financial responsibilities to concentrate on the needs of parents, staff and children. An amalgamated management model contributes to sustainability and quality by ensuring all aspects of the services are delivered by professionals with the necessary expertise who are able to focus on their primary role within the organisation. This business approach also allows for sustainability to communities where smaller services are operating that cannot exist in isolation. This model could be developed further, creating centralised expertise [hubs] that would support a number not-for-profit independent and local government childcare.

c. The role of governments at all levels in:

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

Recommendations

Recommendation 1

See Section b “Alternative options and models for the provision of childcare” Recommendations 3 and 5.

Recommendation 2

Funding directed to service providers to improve staff wages.

Recommendation 3

The government to subsidise staffing in rural and remote areas by funding district allowances, paid directly to service providers. Subsidised housing made available for rural and remote services with one source being through Lotterywest grants.

Recommendation 4

Government funds services directly to facilitate improved quality i.e. increasing the ratio of staff to children in the 0-2 year [babies] areas.

Supporting Discussion

Given community, not-for-profit [and possibly independent service providers] are challenged by the increasing administrative, regulatory, legal, financial and industrial

responsibilities of delivering childcare services with volunteer management committees and local government not having the expertise to manage a childcare centre at the level required there is a need for assistance in this area. See Section b “Alternative options and models for the provision of childcare”.

Funding directed at services to improve staff wages would benefit the industry. In rural and remote areas where there are increased barriers to finding qualified staff, government to fund significant district allowances and provide subsidised housing.

In Western Australia the ratio of staff to babies is 1 to 4. There has been discussion, and certainly support for the notion of a ratio of 1 to 3. Should this go ahead, to avoid significant increased in parent fees, or in services reducing the places they provide for this age group, government would need to fund the initiative preferably paid directly to service providers. This applies to any improvement in quality that will result in the need to increase fees.

Note: In rural and remote areas [especially mining towns] the greatest need for childcare is for babies [0-2 years olds] given it is young families that often are opting to work in these areas.

ii. Consistent regulatory frameworks for child care across the country,

Recommendations

Recommendation 1

Any national framework must differentiate between metropolitan, rural and remote areas and cultural groups.

Recommendation 2

The framework to provide a minimum standard based on what could be achieved by all and then by area and cultural group.

Supporting Discussion

Any consistent national framework must take into consideration and differentiate between metropolitan, rural and remote areas and cultural groups. A national framework will only be beneficial if the unique operating environments of these areas and groups are factored into the framework. A framework can only provide an achievable minimum standard based on what is commonly achievable and then by area and group. The only way to determine this is through consultation with representatives across the country from metropolitan, rural and remote areas and then by cultural groups. Given the Indigenous Australian and the migrant and refugee communities have different cultural expectations, identifying like [shared] approaches that would inform a framework will be a challenge. However not impossible should these communities be engaged individually and then commonalities identified overall.

iii. Licensing requirements to operate child care centres,

Recommendations

Recommendation 1

Government investigates establishing and overarching organisation set up to minimise duplication and to take on responsibility for ensuring quality childcare provision.

Recommendation 2

Any review should ensure that licensing requirements are developed in a way that differentiates/considers the unique operating environments of metropolitan, rural and remote areas and cultural groups.

Supporting Discussion

The role of government similarly for Section c i “Consistent regulatory frameworks for child care across the country” should be to consider the context of childcare for licensing requirements to include metropolitan, rural and remote and cultural groups and to ensure the level of support and funding is responsive to each unique operating environment. This would be a move away from state based licensing requirements to considering the unique operating environment based on areas and cultural groups.

Currently standards for licensing does not take into consideration the rural and remote or the cultural setting of services and relies on the flexibility of individuals within the system to facilitate services remaining operational.

The industry in principle seems to support one body for overseeing licensing and accreditation etc for the purpose of taking on overall responsibility and to prevent duplication. The risk is creating a bureaucracy that is inflexible and unresponsive. Careful planning would be required.

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

Recommendations

Recommendation 1

Staff exemptions for qualifications remain in place.

Recommendation 2

A government sponsored [funded] framework for the training of childcare workers that offers a range of training/learning strategies appropriate to the childcare environment to be developed before or alongside any nationally-consistent training and qualifications for childcare workers.

Recommendation 3

Any nationally-consistent training should focus on the essential and be practice specific [practical].

Recommendation 3

Government sponsorship for childcare providers to create learning environments, based on a learning framework, to incorporate a range of strategies including accredited on-the-job training and mentoring. This could be facilitated through centralised hubs that had Registered Training Organisation status [See Section b Recommendation 5].

Recommendation 4

Government funding for relief staff so as essential core training can be undertaken in working hours.

Supporting Discussion

Although nationally-consistent training and qualifications for childcare workers seems on the surface a desirable outcome there are barriers and implications, particularly for rural and remote services but also for most childcare services. The environmental conditions in which childcare workers operate needs to be factored into achieving improved professional development for childcare workers.

In reality, due to the lack of qualified childcare workers in rural and remote areas, many much needed childcare services would close without the flexibility of utilising exemptions in terms of staff qualifications.

Due to the lack of childcare staff, the cost and the ineffectiveness of current relief/casual staff arrangements, generally staff have to attend training outside of normal working hours. Training events are often one-off, with limited or no follow-up, delivered to childcare workers who benefit minimally due to fatigue. A government sponsored framework for the training of childcare workers that offers a range of training/learning strategies appropriate to the childcare environment needs to be developed before or alongside nationally-consistent training and qualifications for childcare workers.

With one-off training events and out of hours training/education the primary source of training [and in some cases obtaining qualifications], alternative training strategies should be investigated and sponsored [when necessary] by government:

- On the job training with provision of accredited training
- Mentoring
- Provision of government funding to access relief/casual staff for training events

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

Recommendations

Recommendation 1

Resources are **not** invested into the collection, evaluation and publishing of reliable, up-to-date data on casual and permanent child care vacancies but rather into identifying, creating and resourcing unique opportunities within the childcare environment that would attract and retain a specific demographic [workers] to the industry. This result should be cost neutral for the parents and the service provider, subsidised by government.

Recommendation 2

Alternative models of provision of relief/casual staff be encouraged and supported by government. An option may be establishing or utilising an existing not-for-profit organisation/s to deliver a model that addresses the issues of cost, availability and quality [expertise] of casual/relief staff and the effect of utilising unfamiliar workers on the children.

One model could be to utilise the centralised hubs as a conduit for providing casual/relief staff. Alternatively a not-for-profit organisation/s could take on the role of providing casual/relief staff to the industry. With either approach, a consortium [group] of childcare services would need to come together under an Agreement. Their relief/casual needs analysed and permanent staff employed to respond to the needs. The permanent staff would receive training, performance appraisals and be monitored to ensure quality relief/casual staff. CSSU plan to trial this approach in 2009.

Supporting Discussion

I do not see a value in collecting, evaluating and publishing up-to-date data on casual and permanent childcare vacancies given the primary concern has been a shortage of qualified and experienced childcare workers not a lack of information. The emphasis should be on attracting individuals to the industry. At the moment wages and conditions seem to be a significant barrier. However the teaching profession that receives higher wages and better conditions is also challenged with attracting people into the profession. Although improved wages would no doubt be beneficial, under the current system it will equate to increased fees for parents. Consideration could be given to the unique opportunities that could present in the childcare industry for workers such as

having your child placed in the centre where you are employed. Currently this is a cost to a service and so to parents.

The industry reports there being significant issues with casual/relief staff. This occurs on four levels being the cost, availability and quality [expertise] of casual/relief staff and the effect of utilising unfamiliar workers on the children. Alternative [more effective] models of casual/relief staff provision should be considered.

e. The feasibility for establishing a national authority to oversee the child care industry in Australia; and

See Section c i “Licensing requirements to operate child care centres.”

f. Other related matters.