



## **Senate Inquiry into the Provision of Child Care**

### **UnitingCare Children's Services Submission**

**January 2009**

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#### **Introduction**

With a clearly articulated social justice charter, UnitingCare NSW.ACT is the peak body for all community services, chaplaincy and the social justice and advocacy activities of the Uniting Church in the New South Wales Synod. UnitingCare NSW.ACT is the largest provider of community services in NSW employing 6,356 staff and a turnover of \$396 million in 2006/07.

UnitingCare Children's Services (UCCS) is a service group of UnitingCare NSW.ACT and has a strong reputation for the provision of high quality early childhood education and care to more than 6,000 children and families each year. Our mission is to provide excellent, accessible and viable children's services delivered through our not for profit, community service network. Local ownership, management and integration of services developed in response to identified local needs results in a grass roots community-responsive service model.

UCCS's goal of '*nurturing confident and creative learners*' is the primary focus of operations within all 60 services.

UCCS services include:

- 23 community based Long Day Care Centres;
- 21 centre-based Preschools;
- 1 specialist Child Protection Preschool;
- 2 Occasional Care services; and
- 12 OOSH and Vacation Care services.

Working in partnership with families and other professionals and utilizing its wealth of Early Childhood professional expertise, UCCS aims to educate and care for children enabling them to flourish in their critical formative years.

UCCS's specialist services support children with additional needs, those who are at risk and those living in vulnerable families.

Within UnitingCare NSW.ACT's social justice charter. Uniting Care Children's Services has developed strategies to enhance accessibility for all children. Some of these strategies are:

- In house subsidies to families where cost is a barrier;
- Culturally and linguistically diverse staffing models where language is a barrier;
- A clear Indigenous Employment Strategy, to deliver 2% Indigenous Employment across UnitingCare NSW.ACT to support inclusion of Aboriginal and Torres Strait Islanders;
- Inclusion Support Program funding by Department of Education and Training to support the inclusion of children with additional needs; and
- Drop off and pick up children via UnitingCare bus where transport is a barrier.

A signature strength of UCCS services is the high degree of support received from the local church and broader community. UCCS's grass roots nature enables effective community capacity building and a sense of shared ownership of each children's service.

## Background

*Australian newspapers often feature stories about child care and its potential benefits or hazards and many parents read them diligently, wondering if they are making the right decisions for their own children. Controversy over how to care for children has also given rise to new books by Australian authors, with some arguing that child care has negative effects on children (Biddulph 2006; Manne 2005). Pointing in the other direction are reports by international organisations that emphasise the positive and often critical impact that high quality early childhood education and care can have on children's current and future development and wellbeing – particularly children from low-income households (ECD 2006; UNESCO 2006).<sup>1</sup>*

Never has this been more relevant than at present where there is an endless stream of articles and media reports on child care as a direct result of the collapse of two major private child care companies, ABC Learning and CFK Centres.

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<sup>1</sup> Hill, E, Pocock, B & Elliott, A, 2007, *Kids Count, Better early childhood education and care in Australia*, Sydney University Press

It is timely that Government concentrate on the broader policy issues in children's services to readdress the policy levers. UCCS welcomes an approach driven by 'what is best for the child' being that the child is at the centre of the equation. This is a shift from current status where market drivers come from a financial rewards/gains perspective.

## Terms of Reference

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

UCCS has a level of expectation from staff to provide quality, early learning experiences for all children in UnitingCare services. There is a level of expectation to be able to provide optimum learning environments for all children on an individual level. Whilst UCCS acknowledges there is a major impact of over 100 ABC Learning centres closing, the end result with children having to relocate to new services, build new relationships with carers and families having to adjust to new environments, the change management process is critical.

UCCS would like to focus on the positives of this situation, where there is a commitment to the provision of quality through the key quality indicators including higher staff/child ratio's, qualified 4 year trained early childhood teachers in all services and smaller group sizes. These indicators have never been disputed in the not-for-profit sector.

It is widely recognised that ABC Learning was not willing to accept children with additional needs unless the child was approved to receive Inclusion Support Subsidy (previously Special Needs Support Subsidy). This responsibility was left with the not-for-profit, community based child care services which have a demonstrated commitment to provide quality services for all children. However, many children with additional needs have not been able to access these community based services due to lack of available places.

As a result of the rapid expansion of ABC Learning the demand versus supply formula became unbalanced in the provision of care for children under the age of 2 years. It is widely recognised that providing care for 0-2 year olds is more expensive due to staffing requirements, ABC Learning has a disproportionate percentage of this age group. It can be assumed that the more costly requirements resulted in a decrease in profits which in turn became a conscious business strategy to avoid this age group in corporate childcare provision.

ABC Learning's marketing and lobbying strategies have proved effective in gaining mass public image and challenging and influencing government policy. This was evident in NSW when the debate for changing the ratio's for 0-2's was sidelined by ABC Learning. UCCS welcome the decision to proceed with a

change to this ratio to be implemented in the Children's Services Regulation 2010.

There may well be a positive financial result due to the collapse of ABC learning where there is a greater level playing field for the children's services profession. If reliable, effective planning mechanisms are developed and implemented by all levels of government the existence of a monopoly can be abolished, a return to a system where childcare places are developed and funded in areas of need. The end result should be that fees are reflective of the socio economic and social needs of the local community.

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

Between 1970 and 1990 child care provision flourished under a system which supported the development of children's services. The model focused on financial support through commonwealth capital grants programs, commonwealth funded interest free loans, operational funding directed to services based on licensed places, partnership arrangements with local government and community based organisations to provide premises at peppercorn rental and financial support from federal and state government towards the employment of staff regardless of qualifications.

UCCS still has a number of services established under this model. Dove Cottage, Bankstown received a commonwealth interest free loan over a period of 20 years. The service was required to sign an agreement to ensure the service operated for a period of at least 20 years, and in return received operational funding and peppercorn rental for this period of time.

There was a major change in the mid '90's when the focus moved from funding of services to a process which would allow market forces to provide the framework for future development.

The introduction of Child Care Tax Rebate, which was intended to make childcare more affordable has had the reverse effect where market forces has allowed the child care market to increase fees.

*Labor promised that the market would lead to greater choice and lower fees. It decreed that private businesses, not governments, should determine the location of services, even though huge public subsidies were involved. Under Labor's system, there was no cap on the number of long day care centres that private operators could set up.<sup>2</sup>*

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<sup>2</sup> Brennan, D, The Business of Caring, November 2008

We now know that this has been at the detriment of the early childhood education and care (ECEC) sector for children, families and early childhood professionals.

UCCS would welcome a return to the funding model based on interest free commonwealth funded grants and loans, the reintroduction of operational subsidies, and subsidies directed to services tied to quality early childhood education and care provision. In addition, a legislated commitment that services must provide a percentage of the centre budget towards professional development.

**c. *The role of government at all levels in:***

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

If government is serious about their commitment to a national child care agenda then there needs a major injection of funds supported by public policy that recognises the importance of the early years. Margaret Sims current research regarding what 'children's cortisol level tell us about quality in child care centres and stress impacts on long term outcomes for children and adults' (AJEC, Vol 30, 2005) is an example of comprehensive evidence to support the need for a shift in policy.

The current governments early childhood agenda is to be commended but must include appropriate timeframe and consultative processes to ensure that there is an integrated national childcare system introduced. UCCS believes that children's services policy must included publicly funded service provision as reflected in the current primary and secondary education system. The funding should extend to the community based, not-for-profit sector and not to the for-profit and/or independent profit driven service providers,

James Heckman (cited in Vimpani, 2005) notes:

People who participate in enriched early childhood programs are more likely to complete school and much less likely to require welfare benefits, become teen parents, or participate in criminal activities.<sup>3</sup>

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

UCCS strongly supports the development of National Quality Standards that will provide parents, communities and operators of ECEC services with a nationally integrated regulatory and quality improvement system, which ensures quality stands are implemented and consistently monitored.

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<sup>3</sup> Arthur, L, Beecher, B, Death, E, Dockett, S & Farmer, S, C 2006, *Programming & Planning in Early Childhood Settings*, 1993 Cengage Learning Australia Pty Limited

UCCS believes there are key components that are essential in the development and subsequent implementation of a quality standards framework and they include:

- Universal system of entitlement for all children
- A system which is based on current evidence based research
- Key drivers of quality, ratios, group size and staff qualifications
- Pedagogical content, which recognises current practice and outcomes for children
- An implementation of the Early Years Learning Framework for all children from birth to five reflecting the importance of early learning
- Overarching principles of a system that addresses all children's services whilst acknowledging service specific practices
- An emphasis on relationship-based practice between child, staff and families with qualitative measures and less emphasis on quantitative process driven practices
- A system that is enshrined in legislation
- A system that is based on a best practice and quality improvement model where the assumption is that the ECEC profession is well resourced, highly skilled and financially supported. Implementing the highest Stat standards/regulations with the acknowledgement that services require time to allow for compliance.

In practice, the location of a child care service is linked to the planning process where there is a strategic framework for allocation of new services. In the case where a private child care provider established a new service in an area where current demand was met by supply, the service would not be eligible for government subsidy. The question is then raised in the case of the reverse where there is no community provider in the area however a private provider establishes a service, should they be entitled to government subsidy. UCCS would support the system where government allocated funding under the proposed community grant/loan model as previously identified to establish a not-for-profit child care service in that community.

iii. Licensing requirements to operate child care centres

UCCS believe that the licensing requirements should include as minimum standards the highest components from every state included in a national licensing regulation and, as key elements include:

- A regulatory system that is dedicated to the provision of quality early childhood education and care;
- A regulatory system that is easily interpreted into practice;
- A regulatory system that supports best practice; and
- A regulatory system that is enforceable.

- National planning process – based on demonstrated need through statistical/location data that supports the need for additional places. Develop this planning process in conjunction with local government. Allocation of operation funding linked to this planning process.
- Provide incentives for providers to develop services in areas where services are deemed less viable i.e. rural/remote areas.
- Planning process that identifies and support services that reflect the diversity of the local community.

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

UCCS would welcome a nationally consistent training and qualification component for children's services. The key factors include pay parity between the various children's services and their employing body, professional recognition, professional development, continuous learning and recognition of prior learning.

UnitingCare Children's Services believes the introduction of a Registration system for all early childhood professionals, regardless of setting, where there is a clear code of conduct /professional standards be established.

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

UCCS believes that the focus for information on vacancies needs to centre on the education process for families, understanding what waiting lists actually mean, how numbers are duplicated between services, understanding journey to work patterns and where parents want to access child care services.

UCCS believes there should be a stronger focus on publishing information which identifies what are the key indicators of quality education and care in children's services for families. UCCS has designed a flyer, accessible via UCCS website, for families to download which identifies these key indicators. (Refer Attachment 1) This should include a streamlined system for families to access this type information to ensure families are able to make informed choices.

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

The introduction of a national authority could include the expansion of the National Childcare Accreditation Council and Licensing/Regulatory bodies, with a commitment to an ongoing relationship with University/higher education bodies

and link with current pedagogy and research. Without the link to contemporary practice there is a risk of outdated practice and policy implementation.

**e. *Other related matters***

UCCS believes there should be a focus on delivering on governments early childhood agenda: early childhood education and care for all 4 years olds in preschool; qualified early childhood professionals in all services; early years learning framework; and national quality standards. Underlying this framework is the belief:

Universal entitlements for all children = universal service provision.

**Summary**

Community owned children's services, either operated by larger not-for-profit organisations or parent management committees have a unique place in the provision of early childhood education and care. The social capital investment is irreplaceable and cannot be replicated by the commercial sector.

UCCS believes that government needs to embrace this opportunity to realign the early childhood sector with responsible policy decision to ensure the ongoing viability of the not-for-profit sector.

There is a wealth of early childhood knowledge in the not-for-profit community based sector that can provide the necessary guidance and support in the transition to a more equitable and accessible early childhood sector for families in Australia. UCCS would welcome further opportunities to present additional information to the Senate Inquiry.