



9 February 2009

Senate Education, Employment and Workplace Relations Committee
Department of the Senate
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Parliament House
Canberra ACT 2600
Australia

Provision of Childcare

Childcare Associations Australia (CAA) welcomes the opportunity to participate in this important national conversation about the best way forward for early childhood education and care (ECEC) in Australia post ABC Learning. **It is long overdue.**

By way of background, Childcare Associations Australia (CAA) is committed to ethical and professional representation to key stakeholders in support of a viable, best practice children's services sector in Australia. The Association represents **private independent Early Childhood Education and Care (ECEC) service providers** who have a long history of positive engagement with their local community.

In the main our members are small family businesses with long and respected histories in the delivery of high quality services. Some of the unique features of this model are close connection and engagement with local communities. It is not unusual for these services to care for several generations of the one family. They run businesses that are an integral part of their local community – well connected with local education, health, and other support services. Many members are well known for their innovative practice based on emerging evidence or particular philosophies such as the Schools of Reggio Emilia or Maria Montessori.

The Associations strategic key priorities are:

- *national regulations implemented across all jurisdictions;*
- *differential funding to support best practice staff to child ratios, particularly for children under two;*
- *workforce strategies that support high standards of pre-service training, up skilling current staff and strategies to both attract and retain staff in the sector;*
- *planning for children's services viability and sustainability; and*
- *affordable children's services for families.*



The demise of the ABC Learning Group presents both significant challenges and opportunities for the Early Childhood Education and Care Sector in Australia. As a community Australia can ill afford to be in a situation where the continuity of care and the quality of care provided to over 100,000 children and families is at risk, or the employment security and status of 16,000 staff compromised.

The publically listed model of childcare failed as a result of ABC'S and other company's exposure to debt; its complex management structures and financial arrangements and its primary responsibility to third party shareholders rather than the provision of quality care for children and families.

ABC's aggressive acquisition policies resulted in a lack of choice for families, particularly in rural and regional communities, influence of the cost of care, high and unsustainable rental arrangements, and viability issues for other service providers.

The regulatory and quality assurance environments in all jurisdictions were ill prepared to cope with the pervasive influence of ABC as the company used every legal loophole to pursue minimum standards rather than quality provision and to obtain market dominance. Well known examples are:

- In March 2006 ABC appealed to the Supreme Court of Victoria over a \$200 fine it received because a two year old child was unsupervised and got out of one of its centres. ABC claimed that the responsibility rested with the childcare staff on duty at the time;
- In July 2006, the then Minister for Family and Community Services Mal Brough introduced unannounced Validation visits for childcare centres participating in the Quality Assurance and Improvement System (QAIS) operated by the National Childcare Accreditation Council (NCAC). This was to circumvent the "ABC Validation Bus" that would arrive at ABC centres on the day before an announced validation visit and add posters, toys, resources, policies and other documentation to ensure that the centre met minimum standards required under QAIS;
- The lack of a planning system for the expansion of childcare services placed unreasonable demands on local councils who could do little to stop ABC setting up in competition to existing services ;
- In other places ABC would acquire all services within particular communities and then close them one by one – quality, affordability and supply of childcare services in these communities were all severely compromised.

There are salutary lessons for those who create and implement public policy. Never again can we allow funding models and governance structures that support a single operator obtaining market dominance that undermines a critical component of our national infrastructure.

Australian children and families deserve an Early Childhood Education and Care framework that drives quality outcomes for children and genuine choice for families. The debate therefore needs to move away from ownership and **focus on structural quality**. ABC was able to obtain market dominance because Australia lacks:

- An overarching, future focused, evidenced based Early Childhood Education and Care Framework for Australian Children;
- a national, integrated regulatory and quality assurance framework with a clear focus on outcomes for children;
- an Australian evidence base about the environments that best support children and families;

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- co-ordinated action and responsibilities between the Commonwealth and State and Territory Governments.

The multiplicity of current approaches to regulatory control and quality assurance do not serve children, families, staff, service providers or the general community well. Arrangements are ad hoc, inconsistent, lack transparency and do not focus on child outcomes.

Issues of supply, quality and affordability must be addressed in an integrated manner – not in policy silos. As a community it is incumbent on us that children and families who live in Balgo, Batchelor, Brisbane, Bankstown, Bonython, Burnie, Ballarat or Bordertown should, **on equity grounds**, have access to a range of ECEC services that are underpinned by a similar set of standards and expectations and that are affordable.

Australia needs a system that:

- inspires public confidence and pride in our commitment to young children and their families;
- responds to the evidence about the environments that best supports them – particularly those associated with staff child ratios, group sizes and staff qualifications;
- is built on trust and understanding that the majority of service operators both are, and seek to be, compliant;
- encourages, supports and rewards continuous improvement, innovation and the pursuit of excellence;
- expediently and consistently intervenes and applies clear penalties or sanctions for those who fail to meet minimum standards.

In short we need a **new integrated system for managing children's services that is aspirational in its goals and outcomes, child focused and consistent in its application**. This will take commitment from all involved and the post ABC environment provides the opportunity.

Yours sincerely



Amanda Morphet
President
Childcare Associations Australia