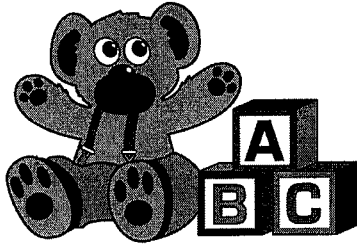


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**SUBMISSION**

by

**A.B.C. LEARNING CENTRES LIMITED**

**(“ABC LEARNING CENTRES”)**

to

**THE HOUSE OF REPRESENTATIVES**

**STANDING COMMITTEE ON FAMILY & HUMAN SERVICES**

on

**BALANCING OF WORK AND FAMILY**

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Date: 19 April, 2005

# Introduction and Summary

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## **Balancing Well-Functioning Family with Paid Work**

A good way for the Australian Government to better help families balance their work and family responsibilities is to help parents make more use and better use of the childcare system.

**More Use** - by helping to make childcare more affordable, more available, and more flexible.

**Better Use** - by helping to better educate all Australians about what good-quality childcare offers to child-development, and to parenting.

ABC Learning Centres examines what we see as the bedrock principles:

- The best way to better help family-work balance is to centre the design-thinking more clearly around ways to better help parents with parenting.
- A prosperous, caring Australia will support the notion that every child should get a fair start in school, in health, and in life, regardless of their parent's circumstances.
- Parents are the best judges of their needs, and of their young children's needs. The right support is that which offers parents choices about how to balance a well-functioning family with paid employment.
- Freedom to choose is best assisted by letting people work it out for themselves – armed with good information, and offered flexible services that meet their needs.

# Introduction and Summary

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## **Balancing of Work and Family (Continued)**

The key strategies for better helping families continue to be:

- *Improving affordability*, through fairer and better-targeted parent subsidies;
- *Improving accessibility*, especially by improving service-delivery by continuing to remove barriers to flexibility;
- *Enlarging properly-located supply*, especially by improving planning and approval systems; by improving coordination between governments and between regulatory systems; and by helping to supply more, and better-trained, teaching staff.

Above all else, the Australian Government can better help parents balance work and family by continuing the work recently started under the National Agenda For Early Childhood framework to educate the general community about what proper quality childcare really offers to child, and to parenting.

A major blockage to better work and family balance is that 'childcare' is not yet understood on the right basis, and not valued on the right basis.

Help the sector get that misunderstanding corrected, and watch the social and economic benefits flow.

## **1. Setting the Scene**

The Family & Human Services Standing Committee wants to “explore how the Australian Government can better help families balance their employment and family responsibilities” and seeks submissions on how the Australian Government can “(make) it easier for parents who so wish to return to the paid workforce.”

ABC Learning Centres appreciates this opportunity to share our ideas with the Committee. We believe that Australia can be proud of the work being done in the public and private sectors to help parents balance family and paid work. Australia’s world-class childcare infrastructure plays an important role in helping parents perform that balancing.

As good as it is, though, ABC Learning Centres believes that the full potential of Australia’s childcare system to help parents with that balancing is not yet being achieved.

And that is our central message to the Committee. We call on the Committee (having satisfied itself about our claims) to then endorse the good work underway in the Department of Family and Community Services designed to:-

- First, help the childcare sector become more flexible in its service delivery, by updating regulatory and policy frameworks that no longer make sense in today’s changed circumstances, especially by facilitating the development of childcare centres that can better coordinate the provision of services, including to school-aged children;
- Second, developing communication strategies designed to ‘educate’ Australian families that childcare is mostly about early child-development and learning, for example – through the further development of the National Agenda for Early Childhood.

ABC Learning Centres believes that helping all Australians understand what childcare actually offers to children, to parenting, and to parents is perhaps the single most important means by which the Australian Government can better help families balance their desire to have a well-functioning family life, and a paid job outside the home. It may seem counter-intuitive, but a good way to get Australians to support greater access to childcare for parents who want a paid job and a family is to explain that the primary benefit from using childcare has always been the child-development improvements and the parenting assistance.

In other words, the people who supply childcare have always regarded the child as the primary client. And then, because successful child-development happens best when properly integrated with successful parenting, proper quality services know how to influence both child-development and parenting, and also how to do so in ways that enhance the relationships, not embarrass parents.

Parents come to particular centres because the parents choose to do so, and stay because they want to. The relationship is voluntary, based on a mutual trust and mutual respect, and motivated by a common interest – giving the parent's child the best start.

Properly understood by the Australian Government, and very carefully used, that relationship at the heart of childcare opens the door to improvements in education, in health, and in labour-market systems especially in connection with balancing family and employment responsibilities.

Keep working to improve service-delivery flexibility, and keep working towards an effective education strategy, and the Australian Government will improve their help to families trying to balance family and paid work.

## **2. The Basic Framework**

To help the Committee understand our suggestions, we spell out our basic reasoning.

The Committee is exploring the question – how the Australian Government can better help families balance their employment and family responsibilities?

ABC Learning Centres says that Australia's childcare infrastructure has to be considered as part of that exploration.

ABC Learning Centres contends that the Australian Government can better help families with that balancing by helping families make better use, and more use, of the existing childcare infrastructure.

The Australian Government can facilitate that, first, by helping to expand the supply of properly located childcare, and, second, by helping more families get more access.

If we are on the right track so far, the questions become:

- What can the Australian Government do to help expand supply of childcare where that expansion is required? and

- What can the Australian Government do to enhance access?

ABC Learning Centres argues that the Australian Government can help to expand supply by:

- Making childcare more affordable,
- Making it easier for suppliers to create new or expanded services through improving current planning and approval systems;
- Making it easier for child-development and parenting centres (called 'childcare' centres) to secure properly trained teaching staff members.

We look at each of those in turn.

### **3. Helping to Improve Affordability**

The Australian Government can better help with affordability by more refined targeting of parent subsidies based on child age, child location, and timing.

The Committee will recognize that our preferred analytical framework is the same one used successfully in Australia for decades – the touchstones remain – 'affordability', 'accessibility', 'quality', and 'choice' but before drilling deeper into those, there are some preliminary comments to make about some of our underlying values and beliefs.

ABC Learning Centres strongly favours increasing affordability by the use of direct parent subsidies delivered through the service as is currently the case with the Child Care Benefit system. We hold that view mostly because direct parent subsidy is the best way to satisfy what we believe should be a central principle. 'Parents', and 'Effective Parenting', are the prism through which the discussion about balancing work and family needs to be viewed. Parents are the best judge of their needs, and, typically, of their child's needs. The framework of support for families and children should therefore offer parents choices about how to balance family life and paid work. Families have a legitimate expectation that they should be in control of the choices they make in balancing work and family life. It is noteworthy that this is one of three central principles of the British Government's newly released "Ten Year Strategy for Childcare."<sup>1</sup> ABC Learning Centres strongly agrees with the UK view. We also recognize that the UK Strategy is basing itself largely on Australia's proven childcare systems.

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<sup>1</sup> H.M. Treasury, UK, 'Choice for Parents; The Best Start for Children; A Ten Years Strategy for Childcare' March, 2005, p2.

Without repeating them, we also refer in this particular context to our earlier comments about the important need for Australia to reconceptualize childcare, recognizing the importance of the early years as a foundation for life outcomes, and moving from a concept of child-minding to one of child-development. As the Commonwealth Child Care Advisory Council reported to the Minister for Family and Community Services in 2001, this reconceptualisation “also acknowledges the significant investment that the community currently makes through taxpayer dollars in what is known now as childcare, and it offers ways of using these resources more effectively for the future.”<sup>2</sup>

If there is one way to remove the needless, but powerful, ‘mother-guilt’ holding many mothers back from re-entering the workforce, or undermining those who do, this reconceptualising, this re-framing of ‘childcare’ is it!

We return to more pragmatic things.

There are several other ways the Australian Government can help make childcare more affordable for families.

### **3.1 The 20 hour subsidy limit for non-working mothers**

Australia can be proud of the fact that it allows all parents subsidized access to a childcare system that is primarily designed to facilitate the needs of working parents.

Even so, this 20 hour cap now needs re-design and enlarging.

The first point to recognize here is that it is the children of non-working (that is, unemployed) parents who stand to benefit most from what proper-quality childcare actually offers. The same is true for the parent, and the parenting.

Bearing that in mind, the next point is that 20 hours needs to be increased to at least two full days of subsidized access if the child-development is to be anything approaching its proper potential. Most centres are open for more than 10 hours a day, so 20 hours often translates to less than two full-days.

Even if that 20 hours limit is not changed, it seems many potential parent beneficiaries (and possibly many service-providers) don't seem to understand even their current entitlements. This is something FACS and the childcare sector through our State and

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<sup>2</sup> Commonwealth of Australia, *‘Child Care: Beyond 2001’*, A Report to the Minister for Family & Community Services – September 2001, p1.



National bodies should be working together on to design and deliver the right information, including through the existing distribution channels – child care services themselves.

### **3.2 Parent Subsidies Should Reflect Actual Costs**

It is an unhappy fact of life that high-quality child and parent support can't come for free. Within that, we believe the Australian Government and community is now smart enough and prosperous enough to recognise that parent subsidies ought to be higher for children aged under two years. The higher costs of doing so will be better understood and better accepted in the community once the community values childcare on the correct basis.

Higher costs are not a factor just for the very youngest children. Relatively high costs happen on a sliding scale across the board. Children aged between two and three years must be staffed at higher staff to child ratios than children aged between three to six years. We don't argue about the underlying policy rationale for those higher staffing costs designed at ensuring proper levels of quality. We do say though that it would be appropriate for parent subsidies to reflect those higher costs, based on the age of the child.

New Zealand parent subsidies reflect the fact that it is relatively more costly to provide proper-quality services to young children. Their parent-subsidy for children aged under two are roughly twice the amount of the parent-subsidy for children over two.

There is a downside to these more highly segmented parent subsidies. Although good in principle, variable-rates will clearly make administration for government and for centres more complicated. As we see it, those practicalities should not stop fairer parent subsidies, but the Australian Government and the childcare sector should also work together to find ways to streamline the administration of childcare subsidy payments. We explore this further in section 4.4 below.

There is also an argument that parent subsidies could and should reflect the fact that it is much more expensive to establish new services where land costs are much more expensive. Reflecting that reality in better designed and better targeted parent subsidies is another way the Australian Government could make high-quality services more affordable and thus easier to access for parents seeking to balance paid work with a well-functioning family.



Our assessment is that Australians support the notion of greater spending on areas that will generate improved education or health or workforce participation. Childcare spending on the 0-5 year olds delivers all three as well as helping parents balance family and work.

#### **4. Helping to improve work and family balance by improving access to Childcare**

The Australian Government can better help accessibility by working with the childcare sector to design and deliver improved policy, regulatory, and administrative frameworks in at least the following operational areas:

- 4.1 *Planning and approval mechanisms*, especially planning approvals from local government, and the linkages between child care regulator licensing mechanisms and the local government mechanisms. This is a problem around the nation.
- 4.2 *Less duplication and overlaps*, especially between the Commonwealth's quality measurement systems and the ones instituted (or modified) by State-level licensing regulators to ensure that the Commonwealth ones did not displace the State agencies from their preferred role.

ABC Learning Centres accepts the need for regulation – but, like childcare, it has to be good quality to be properly effective. Poor quality regulation, like poor quality childcare, can do more harm than good.

The other area where better integration is much needed is between industrial-regulations and child care regulations. These two law-making systems generally don't talk to each other – families miss out as a result!

#### **4.3 Child Care Centres (and not just ABC Learning Centres) are a Community Hub**

Childcare staff spend much of their time helping families sort through a myriad of family, or child, or personal, or financial, or health, or marriage, or government issues. We are a trusted family friend, often with useful knowledge and prior experience.

As good as we are, childcare could be a lot better with the Australian Government working with the sector to improve those networks. The networks are already there. The Australian Government could help the sector make those networks more visible and more efficient. ABC Learning Centres believes these improvements can be achieved by using the sector, and its special relationships with parents, as a key distribution vehicle for information.

It's not really about the *content* of health, or behaviour, or whatever information. Rather, it's a service's ability (and willingness) to see that a 'problem' exists and then to gently encourage parents towards a solution – not sit them down to force feed them a glossy brochure on this or that. It's not the *content* of 'information', it's the *delivery* that can monitor, and change, child and parenting *behaviour*.

So helping centres network better with specialist areas such as health, or finance, or family law, or speech, or parenting, or Centrelink, or whatever, will make that network better able to help parents.

This is a job the Child Care Reference Group could oversee, but there are lots of ways to tackle it.

The starting point may be for the Australian Government to recognize that the network exists, and then nurture it, don't try to 'regulate' it.

This networking potential is a small example of what we refer to at the start of this Submission. Australia's childcare infrastructure blending public-sector strengths in funding and regulation with private-sector strengths in customising service-delivery is world class, but not yet delivering its full potential to help parents balance a well-paid job with a properly-functioning family.

#### **4.4 Improving coordination between levels of government, and between agencies at the same level.**

We won't repeat the story about the need for improved coordination that the Inquiry is no doubt familiar with.

We do say, however, that it remains an issue, despite the big strides taken, for example, by FACS and Centrelink over the last couple of years.

It is important that Centrelink's new administrative arrangement does not get in the way of the cultural change now evident with the way Centrelink is dealing with childcare operators. There are still lots of frustrations with the administration of the Australian Government's Child Care Benefit System. Even though the payment is made on behalf of parents, the administration of that system is still the responsibility of the service-owner. This is another reason for continuing the good work of the Child Care Reference group. It has succeeded in getting FACs, Centrelink and the sector in the same room at the same time – to everyone's benefit.

We believe the Australian Government should work with us to investigate how to improve the use of information and communication technologies to reduce the amount of paperwork for centres, and to use that exercise as an opportunity to re-engineer the processes.

## **5. Helping Expand Supply by Addressing Staff and Skill Shortages**

The childcare sector is itself experiencing skill shortages.

ABC Learning Centres believes not enough students are choosing to enter early-childhood tertiary training (in either TAFE's, private colleges, or in Universities). We see this as a reflection of the communication or reconceptualisation problem - not enough people in Australia yet 'see' the wonderful early child-development and learning that is 'childcare'.

Even more troubling is the possibility that traditional publicly-funded training providers do not want to accept the fact that childcare centres are now a gateway and pathway to the formal schooling system, at least not until they take the next five years to adjust their settings to give graduates the right blend of training in play-based methods, in working with children 0-3 years, and in working with parents (and parenting).

We ask the Committee to recommend that the relevant Australian Government agencies, lead by FACs, sit down with centre-based operators and their representatives to share ideas on how to get:

- More entrants into early childhood training, together with more efficient and effective National Industry Training Advisory Board processes.
- More appropriate content for such training where that is required.

- More graduates properly informed about why the delivery of pre-school in Long Day Centres is more effective than otherwise.
- How to improve the alignment between the skill-sets needed in the childcare sector, and the skill-sets apparently being provided in many major training institutes, especially universities.

## **Conclusion:**

The Australian Government can better help families to balance their employment and their family responsibilities, and make it easier for parents who wish to return to the paid workforce, by building more on to one of the key work-family platforms Australia has already constructed - its Childcare systems.

There are probably several policy areas that can claim to be a valid starting point for work/family improvements. ABC Learning Centres believes that the common factor running through these policy choices, the factor that we believe is the most productive one for policy-makers to concentrate on, is – 'parenting'. Parenting, we believe, is the prism through which policy-makers should look in order to help them assess and prioritize the range of competing claims about the best policy-arena to secure work/family improvements.

The two starting points are, first, for the Australian Government to help change the way parenting is perceived, and next, to work with the Childcare Sector to design a package of measures to assist current and potential parents succeed with parenting. That package should be aimed at finding ways to help more parents and children get more of the parenting and child-development benefits offered in proper-quality child care services, largely through further improvements to affordability, flexibility, choice and availability.

Such measures are likely to mean that either relatively more, or absolutely more, will need to be spent on parent childcare subsidies.

That increase is likely to need public support before it can happen. To secure that support for the package of measures, the first task is for the Australian Government to work with the Parenting and Childcare Sectors, including the private sector, to help Australians reconceptualise what parenting means, to better understand how proper-quality child care supports and supplements effective parenting, and to help Australians rediscover a truth we may all be overlooking -- parenthood is no guarantee of successful parenting.

Successful child-development, and successful parenting more generally, has always been achieved through good teamwork, where the group shares ways to supply loving and useful physical, emotional, and financial support.

A parent's need for such support has not changed.

What's changing is the way Australia delivers such help.

ABC Learning Centres believes that present work/family challenges grow out of the success of Australian Government policy changes over the last few decades designed to make life better for parents, especially women. The central work /family challenge responds to a difference in the pace of change now occurring in interrelated parts of Australia's support networks. Australia has (wisely in our view) upgraded education and employment-opportunity systems, particularly for women, but done so faster than changing related areas such as taxation, welfare, and workplace-systems and cultures, to name just three.

So the challenges extend to system-level, whole of population issues.

But improvements to work/family have to be achieved one family at a time, one child-parent relationship at a time.

Helping with work/family balance accordingly needs to be delivered through a vehicle that is able to think and act successfully at both the society-wide level, and at the level of understanding individual child needs, individual family needs, and local community needs.

That's what childcare does. Australia's childcare infrastructure, blending public-sector strengths and private-sector service delivery strengths, caters to individual families, but is grounded in, and supported by, local community.

The opportunity that Australia now has within reach is one other nations can only begin to build.

When properly understood, Australia's childcare infrastructure is a wonderful support system for parenting, and for child-development, in addition to its more widely appreciated parent-support role. It is a support system that the Australian Government can keep helping to be better, and to help make more widely accessible.

More childcare, and better use of childcare, is part of the way the Australian Government can better help parents balance their desire to have a well-functioning family with rewarding employment outside the family.

Thank you again for this opportunity to comment.