

Chapter 1

Introduction

Terms of reference

1.1 On the motion of Senator Hanson-Young on 25 November 2008, the Senate referred the following matters to the Senate Education, Employment and Workplace Relations References Committee for inquiry and report by 12 March 2009 (subsequently extended to 18 June, 17 September, 29 October and finally 23 November 2009):

- (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.

Conduct of the inquiry

1.2 The committee advertised the inquiry on its website and in *The Australian*. A number of relevant organisations were also notified of the inquiry and invited to lodge submissions. Submissions were initially due by the end of January but this date was later extended by two months.

1.3 The committee received a total of 87 submissions as listed at Appendix 1. These also appear on the committee's website which can be accessed at http://www.aph.gov.au/Senate/committee/eet_ctte/child_care/index.htm.

1.4 The committee held public hearings in Brisbane (15 July), Sydney (16 July), Melbourne (21 July), Adelaide (22 July), Perth (7 August) and Canberra (14 August). In addition, the committee conducted a roundtable discussion in Hobart on 20 July 2009. The committee also visited several childcare centres: ABC Developmental

Learning Brisbane Central, Lady Gowrie Battery Point (Tasmania) and North Melbourne Children's Centre. An informal visit was also undertaken by some committee members to Nedlands School of Early Learning in Perth.

1.5 References in this report to the committee Hansard are to the proof Hansard; page numbers may vary between the proof and the official Hansard transcript.

1.6 The committee appreciates the assistance from all those who contributed to this inquiry through preparation of written submissions, giving evidence to the committee or hosting the committee during visits.

Background to the inquiry

1.7 Improvements required in the provision of childcare have been pointed out to successive governments at the Commonwealth level for many years. Two Senate committee reports in the 1990s made this point. Other reports have made recommendations for action at the Commonwealth level. Childcare was regarded as a matter best left to the discretion of family choice, as the need and circumstances of family life and employment varied so widely. Moreover, complex policy challenges are at play in the provision of formal childcare.¹ Regulation in the form of licensing centres was considered to be a matter best left to the states, and such assistance that the Commonwealth could offer was most appropriately dealt with in social welfare payments and taxation rebates. With the establishment of the National Childcare Accreditation Council (NCAC) in the early 1990s, the Commonwealth became responsible for quality assurance of the childcare sector but licensing remained the responsibility of state and territory governments. This was preferable to developing a national 'system' of childcare which would be daunting in its complexity. On 13 April 2007, COAG undertook to develop by 2008 an intergovernmental agreement on a national approach to quality assurance and regulations for early childhood education which included preschools and childcare.

1.8 The main purpose of this inquiry was to look at the condition of childcare provision with the intention of informing the current debate and discussion on the most desirable practices to pursue as part of national policy. The catalyst for the inquiry was the collapse of ABC Developmental Learning Centres Pty Ltd (ABC Learning) toward the end of 2008. This is explored in the next chapter. The committee notes the views expressed in a number of submissions that the collapse of ABC Learning was not entirely to be lamented.² Although it has tested the improvising skills of Commonwealth agencies and added to the burden of debt in difficult times,

1 Gabrielle Meagher and Debra King, (eds), *Paid Care in Australia – Politics, profits and practices in child and aged care*. 2009, (edited extract). Available at: <http://apo.org.au/commentary/politics-profits-and-practices-child-and-aged-care>, accessed 1 September 2009.

2 See, for instance, Open Forum, *Submission 39*, p. 10; Childcare Associations Australia, *Submission 56*, p. 2.

ABC Learning's collapse has refocused the work that must be done to improve the equitable and high quality provision of childcare which remains accessible and affordable to all families.

1.9 The processes of consultation to which COAG decisions have given rise are proceeding concurrently with this inquiry, and are expected to continue for some time. The COAG agenda, because it embraces early childhood education in its broader sense, is far more ambitious than the committee's terms of reference allow it to be. While the committee has heard some evidence on integrated services which include long day care and kindergarten, there has not been sufficient to allow the committee to make any recommendations about changes necessary to the structure of early learning that its proponents have long advocated. The committee notes that research, some of which is discussed below, has strongly indicated that integrated care and early childhood education is highly desirable. This report, however, does not extend to examining options for its implementation.

1.10 The committee received much evidence indicating the need for improved funding of the sector. While acknowledging the need to review the current funding mechanisms, the committee points to the substantial investment in childcare by the government. Recent funding initiatives along with the range of funding mechanisms available to the childcare sector are discussed in detail in chapter four.

Surveying the childcare sector

1.11 The childcare sector is highly diverse. There is variation across states and territories in regard to licensing standards and levels of supervision across categories of childcare. The various categories of childcare and models of care which are frequently referred to in this report as well as the general effects in the sector resulting from various policy changes are described below. Funding models and government policy regarding childcare funding are introduced in chapter four.

1.12 There is a strong and increasing need for childcare places. In June 2008, there were 4 664 700 women employed, of whom 1 397 500 had children under 15 years of age. Women are in the workforce, full-time or part-time, either because of economic necessity or career fulfilment. Many women who value their careers are prepared to make substantial payments for childcare in the relatively short term. The National Foundation for Australian Women has told the committee that the availability of places at childcare centres and the cost of childcare influence the workplace participation of women.³

1.13 Figures from 2008 show that over 700 000 children used some form of childcare. At specific ages, the use of childcare services is even higher; for example, two year-olds attending some form of care represented over 70 per cent of all two

3 National Foundation for Australian Women, *Submission 7*, p. 5.

year-olds in 2005.⁴ Childcare services are now an integral part of modern life. In response to this strong demand, the Commonwealth funds an unlimited amount of long day care, family day care and outside school-hours care places (subject to relevant licensing and quality assurance standards).

Childcare provision

1.14 The traditional approach to caring for children is based upon the family unit. Parents, typically mothers, assume primary responsibility for nurturing and caring for children in the home. However, as society changes and more women participate in the workforce, the need for alternative ways of caring for children also increases.

Informal care

1.15 Informal childcare is typically provided by grandparents or other extended family members. Informal care is a very common form of childcare, particularly for very young children, although it can be difficult to accurately identify the rate of usage and, moreover, the rate appears to be falling. Figures from the Australian Bureau of Statistics (ABS) indicate that 22 per cent of children aged 0-12 attended informal care in 2008 (while 15 per cent of children were enrolled in some kind of formal childcare and a further 7 per cent attended both informal and formal childcare).⁵ Informal care is generally understudied; more research is required to establish the benefits of informal care and to identify the number of families using this type of care. This type of care is not subject to any regulatory framework and there is little financial help for families accessing informal care, although for many such families there may be no associated financial costs.

Formal care

1.16 The type of service that is most commonly associated with the term 'childcare' is formal, centre-based care but the term 'formal childcare' applies to a diverse range of services, which are generally of a high standard. Formal care is highly regulated and accredited. These services cater for children below school-age and up to the age of 12. In Australia, families receive government assistance to compensate for the cost of such services (subject to eligibility criteria). The features of various types of formal care are discussed below.

- Long day care: this type of childcare is generally available for children from a short time following birth up to age 5 (or school age). Prior to its collapse, ABC Learning offered approximately 20 per cent of all the available long day care places and in Queensland it was closer to 30 per cent. Centre-based care,

4 Barbara Pocock and Elizabeth Hill, 'The Childcare Policy Challenge in Australia', in *Kids Count – Better early childhood education and care in Australia*, Elizabeth Hill, Barbara Pocock and Alison Elliott (eds), 2007, p. 19.

5 ABS, '4402.0 Childhood Education and Care, Australia, June 2008 (Reissue)', October 2009, available at <http://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/4402.0>.

which is the most common type of formal childcare, is provided in licensed childcare centres. These are mostly run as profit-making small businesses or by not-for-profit organisations and sometimes by local governments. Centre-based long day care has been the subject of most of the available childcare research.

- Family day care: family day care is usually offered in the home of a carer for a small group, typically around five children. The provision of family day care is regulated and licensed. However, this type of care is offered in an environment similar to the child's family home, often in the same neighbourhood, and may be more flexible than centre-based care.
- Outside school-hours care (including holiday care): this type of care (abbreviated to OSHC) is commonly offered on school grounds but can be offered in childcare centres or other community locations, particularly during school holidays. In 2008, there were over 318 000 OSHC places available, representing a four-fold increase on the number of places available in 1997.⁶ However, the National Foundation for Australian Women informed the committee that there are not enough OSHC services in general and few OSHC services catering adequately for children aged eight to 12, even though government subsidies are available for older children.⁷ For these reasons, the number of families currently using OSHC may not be truly indicative of the level of demand for this service.
- In-home care: this type of care is generally offered for children with high needs but also includes nanny services, whether for one child or several. This group is also understudied.
- Other formal childcare services include occasional care (OCC), which is offered for short duration and often at short notice; mobile services, which are usually offered in rural areas for short periods; and multifunctional indigenous children's services, which comprise a full range of family services.

1.17 The measurable categories which are summarised above are tabulated in Table 1.1 below. However, these figures do not present a complete picture as figures relating to informal care are not included. ABS figures for 2003 indicate that over 1.5 million children under the age of 12, or almost half their age group, experience some kind of childcare, whether formal or informal. In that year, a quarter of children below

6 Department of Education, Employment and Workplace Relations, *Submission 41*, p. 1.

7 National Foundation for Australian Women, *Submission 7*, p. 5. See also Kerry Davies, Council for Single Mothers and their Children, Transcript of interview on *9am with David and Kim*, 21 April 2009.

three years of age used formal care arrangements and this increases to nearly three-quarters for four year-olds.⁸

Table 1.1: Approved Childcare Places by State and Service Type

	Service Type				Total
	LDC	FDC (a)	OSHC (b)	OCC	
New South Wales	96,648	25,793	83,052	1,189	206,682
Victoria	66,210	16,251	79,109	613	162,183
Queensland	85,163	15,600	83,279	435	184,477
Western Australia	24,088	5,001	18,106	347	47,542
South Australia	17,633	6,319	34,060	68	58,080
Tasmania	4,844	2,692	8,455	77	16,068
Northern Territory	3,423	1,229	4,836	10	9,498
ACT	5,726	2,160	7,792	106	15,784
Australia	303,735	75,045	318,689	2,845	700,314

(a) FDC includes In-home Care

(b) Includes After School Care, Before School Care and Vacation Care

Source: Centrelink Administrative Data, March 2008, via Department of Education, Employment and Workplace Relations, *Submission 41*.

Care providers

1.18 Childcare services began to emerge in Australia at the turn of the 20th century when a small number of not-for-profit organisations offered childcare services to needy families; economic and other circumstances drove women in such families into the workforce, against the predominant social expectation of that time that mothers would remain at home to care for children. Unlike schooling, childcare was long viewed, not as a government responsibility, but as a community responsibility.

1.19 Despite the commonly-held belief that the advent of for-profit childcare provision is a recent development, such providers have played a role in the sector for considerable time; in fact, a survey carried out in the 1960s showed that services

8 Catherine Neilsen-Hewett and Pamela Coutts, 'From Home to the World Beyond: The Interconnections among Family, Care and Educational Contexts', in *Children, Families and Communities: Contexts and Consequences*, ed. Jennifer Bowes and Rebekah Grace, 3rd Edition, OUP 2008, p.112.

offered by for-profit childcare providers (small-scale, home-based services) outnumbered not-for-profit childcare services.⁹

1.20 In 2001, a Brisbane-based childcare provider, ABC Learning, listed on the stock exchange. In that same year, several other providers followed suit. Corporate provision of childcare had commenced in Australia. There is an important distinction to be made between the different types of private providers. In a study investigating the quality of various childcare services, the Australia Institute distinguished between large corporate chains and small private providers, finding a range of systematic differences between the two. Childcare services offered by independent private providers (with just one or a small number of centres) more commonly exhibited similar features to the services offered by non-profit, local government and community-based providers. Corporate childcare providers stood out as a group on their own.¹⁰

1.21 Much attention has focused recently upon diversity in the sector as a result of the collapse of ABC Learning. Many submissions called for greater support for not-for-profit and community-based providers in the sector to improve diversity and offer choice to families.¹¹ Mention should be made here of the diminished role of local government in providing childcare. According to the Productivity Commission figures, only in Victoria and New South Wales do councils and municipalities continue to run childcare centres in significant numbers, and they are under threat because of competition for funds. Victoria stands against the trend, however, with 50 of the 79 councils operating childcare centres offering long day care. Nearly a third of Victoria's 1033 centres are operated in some way by local government. The figures are higher for family day care, where 67 councils in Victoria provide support.¹²

1.22 The committee supports diversity of operators and believes that the contribution of not-for-profit providers in the sector should be supported and valued. The committee notes, however, in response to calls for funding of providers and specifically not-for-profit providers, that there are already provisions for such funding mechanisms. The Commonwealth provides funding to childcare providers through the *Child Care Services Support Program*. Furthermore, an element of this program, Sustainability Assistance, is available in an ongoing capacity only to not-for-profit

9 Professor Deborah Brennan and Associate Professor Susan Newberry, *Submission 64 (Attachment 2)*, p. 214.

10 Emma Rush, 'Child Care Quality in Australia', *Discussion Paper 84*, April 2006, the Australia Institute. Available at <https://www.tai.org.au/file.php?file=DP84.pdf>. Accessed 23 December 2008. See also Emma Rush & Christian Downie, 'ABC Learning Centres – A case study of Australia's largest child care corporation', *Discussion Paper 87*, June 2006, Canberra: the Australia Institute. Available at <https://www.tai.org.au/documents/downloads/DP87.pdf>. Accessed 15 January 2009.

11 See, for instance, Community Childcare Co-operative (NSW), *Submission 27*, pp 3-4 ; Australian Community Children's Services (NSW), *Submission 37*, p. 3.

12 *Ibid.*, p. 18.

childcare providers. These funding measures are discussed in further detail in chapter four. Today, the sector is made up of a variety of providers offering a wide range of services. Private providers comprise the majority of the sector (although few corporate chains remain) but the provision of childcare services is based upon a mixed delivery model - childcare services are offered by both private and non-profit providers as well as government (state, territory or local). Not-for-profit and community-based organisations represent less than one-third of the sector and government provides about one-fifth of all services in Australia. Marked differences in market-share are seen across states and territories, generally reflecting the level of 'privatisation' that took place in each state. The table below indicates the estimated market-share held by the various types of childcare providers.

Table 1.2: Estimated Percentages of Childcare Services by Provider Type, 2007-08

Provider Type	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
Community	27.8	34.6	37	20.9	35.1	50.7	81.6	71.3
Private	69.5	53.5	59.9	75.2	40.6	32.4	18.4	28.8
Government	2.7	11.8	3.1	3.9	24.3	16.8	-	n/a

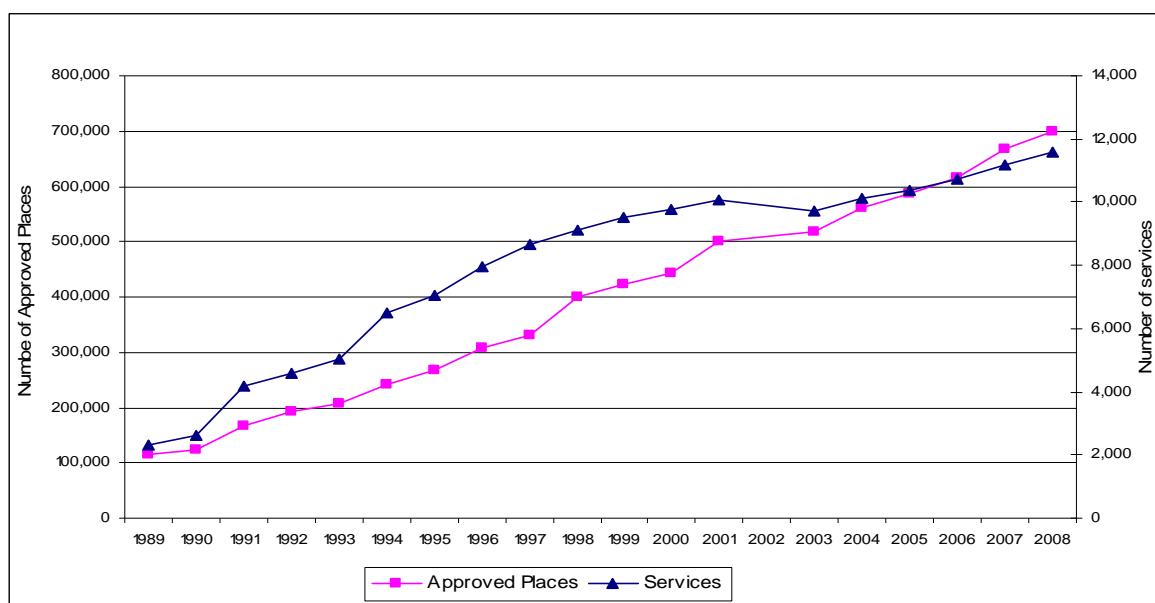
Note: Includes all Australian, state and territory government-supported services. Community-managed services include not-for-profit services provided or managed by a company, private individual or non-government school. All government-managed preschools in Victoria are managed by local government. The majority of government-managed childcare services in SA are small occasional care programs attached to government preschools.

Source: Productivity Commission Draft Report, Annual Review of Regulatory Burdens on Business: Social and economic infrastructure services, June 2009.

Purposes of care

1.23 The diversity of childcare is explained by the multiple purposes for which childcare is used. Most is related to employment, particularly for women in the workforce. A proportion of this is part-time, as indicated in Table 1.1 above. Some childcare has a social, recreational or educational purpose, either for parents or children, although most care appears to be a necessity, the result of participation in the workforce. In regard to social policy, governments have traditionally seen childcare provision as an adjunct to employment. As noted earlier and suggested above, the high level of informal childcare which is used has probably deterred governments at all levels from developing complex regulations.

Graph 1.3: Growth in Childcare Services and Places 1989-2008



Source: Centrelink Administrative Data 1989 – 2008 via Department of Education, Employment and Workplace Relations, *Submission 41*.

Childcare and early childhood education

Historical divide

1.24 In Australia, early childhood education and childcare have developed independently and in diverging directions. Differences are seen in a range of areas including funding, professional qualifications and status, access and availability.

Integration of care and education

Contemporary research...highlight[s] the holistic nature of child development and the need for [early childhood education and care] programs to be responsive to this. Learning and care are interdependent in early childhood, with emotional well-being supporting cognitive development...demonstrating the need to bridge the historical gap between the traditional domains of education and care in the early years.¹³

1.25 The traditional divide between childcare and early education is now seen as a false one by researchers and specialists in these fields. In the 1970s, it was identified that children's care, education and learning were interrelated but government policies of the time did not reflect this.¹⁴ The sector continues to struggle with such policies today.

13 Centre for Community Child Health, *Submission 78*, p. 3.

14 Collette Tayler, *Rear Vision*, Interview with Keri Phillips, ABC Radio National, 13 May 2009.

1.26 The committee heard evidence regarding the need for a cohesive system for children from birth to school.¹⁵ Witnesses such as the Community Child Care Co-operative NSW argued that, to be most effective, childcare and early education should be integrated, making the division indistinguishable to families and children.¹⁶ This is reflected in the use of the term 'early childhood education and care' (ECEC).

1.27 A seminal study of children attending preschool programs in the United Kingdom found that the integration of care and education offered the greatest benefits to children in terms of social and cognitive development.¹⁷ The NSW Commission for Children and Young People informed the committee that early education and care should be part of the schooling system because of the importance of the beneficial effects that the early years can have for children's long-term well-being.¹⁸

1.28 The disparity in skills and knowledge displayed by children when they begin schooling is a good indicator of future academic success but the integration of education and care can ensure a smoother transition into school for children.¹⁹ Moreover, a common framework relating to children from birth to early school-age can be a unifying tool linking various children's services.²⁰ Incorporating early childhood education and care results in a more effective, less fragmented transition from childcare and early education settings to formal education settings.

1.29 The term 'integrated care' is also used to indicate the linking of a wider range of services than childcare and education. Some stakeholders use the term to refer to all services related to children and families including allied health and family support services.²¹

Responsibility for childcare and education

1.30 The Infant's Home Child Family Services has indicated that the transfer of responsibility for ECEC to the Department of Education, Employment and Workplace Relations (DEEWR) is a valuable first step in bridging the gap between schooling and childcare.²² Moreover, this organisation pointed out that the Senate inquiry offers an

15 See, for instance, Ms Cora-Ann Wilson, *Committee Hansard*, 7 August 2009, p. 37.

16 Community Child Care Co-operative NSW, *Submission 27*, pp 6-7; Independent Education Union of Australia, *Submission 34*, p. 3.

17 Sylva, K., Melhuish, E., Sammons, P., Siraj-Blatchford, I., Taggart, B. & Elliott, K. *The Effective Provision of Pre-School Education (EPPE) Project: Findings from the pre-school period*, Institute of Education, University of London and SureStart, 2003, p. 1.

18 NSW Commission for Children and Young People, *Submission 8*, p. 18.

19 Tim Moore, 'Towards an Early Years Learning Framework for Australia', *CCCH Working Paper 4*, Centre for Community Child Health, 2008, p. 3.

20 Ibid., p. 17.

21 See, for instance, City of Port Phillips, *Submission 33*, p. 2.

22 The Infant's Home Child Family Services, *Submission 74*, p. 4.

opportunity to further address this historical division. Some of the means available to bridge the gap, such as addressing the qualification levels of carers and the status of the sector in general, are discussed in more detail in chapter three.

1.31 Government policy is beginning to reflect the understanding that childcare is where early childhood education begins, to the point where there is a blurring of the boundary between preschool and kindergarten (the nomenclature varies from state to state), as convincing educational research has established that high-quality ECEC results in greatly improved learning progress through primary school. It is noteworthy that in several states (and at the Commonwealth level, as mentioned above) responsibility for early childhood education has been transferred from children's services departments to education departments.

So it has been very much a divide, if you like, between preschool and child care. Certainly the sector is very keen to see the whole current agenda about a much better coming together and integration of the whole range of children's services.²³

Childcare policy

1.32 While there is agreement as to the importance of developing a national childcare policy, and equal agreement as to why this is necessary, there is a problem with implementing good intentions. Most of the difficulty has to do with paying the bills that new policy always generates. Childcare has been a largely private matter for parents, supported by regular Commonwealth payments for the purposes of subsidising care. Improvements to childcare quality, which many agree are necessary, will at the very least, require an increase in government subsidies in order to keep childcare affordable. The Commonwealth may also need to consider direct intervention to support the provision of appropriate childcare and facilities through direct funding to childcare providers. Finally, there is the challenge of creating a 'national' or 'federal' (as distinct from Commonwealth) authority to oversee policy development and implementation, to plan the provision of childcare, and most importantly to enforce compliance with regulations which now lie in uneasy demarcation between state and Commonwealth authorities. Professors Brennan and Newberry informed the committee that:

[t]he care and education of children below school age is an area of intense public debate and the subject of considerable policy innovation in Western democracies. Child care raises complex philosophical and policy issues ranging from broad questions about the relative responsibilities of state, market and family to technical aspects of policy design such as the interaction of child care subsidies with income support, family payments and taxation.²⁴

23 Ms Helen Creed, *Committee Hansard*, 7 August 2009, p. 7.

24 Professor Deborah Brennan and Associate Professor Susan Newberry, *Submission 64 (Attachment 2)*, p. 213.

1.33 As a starting point in considering the problems of childcare services and early childhood learning, the committee notes a summary of policy deficiencies identified in the Report of the Early Childhood Development (ECD) Subgroup of COAG's Productivity Agenda Working Group of September 2008.²⁵ The four points, in summary, were as follows.

- *We are not focused on enhancing human capital for the future.* There is no consistency or intensity in the provision of early childhood services, especially for preventive health and quality early childhood education. This is a serious deficiency in that the human capital gains of strong ECD services are most evident for children at risk. There is notable variation in outcomes for children depending on social and family backgrounds, their remoteness of habitat, family income and other factors.
- *Parents have limited access to information.* While children are 'full of promise' in their earliest years, parents often lack information about cognitive development milestones, and may face difficulty in knowing where to find help. The result is that many beneficial services are not used.
- *Service complexity stresses families and wastes resources.* Changing family structures, combined with workplace pressures, are creating stress for families. Complex, fragmented and provider-oriented (rather than child-centred) services intensify family pressures.
- *We provide insufficient support for parental choices in balancing work and family needs.* Most government support is focussed on childcare for working parents, yet we maintain low parental workforce participation rates. Families face high effective marginal tax rates and a lack of paid maternity leave.²⁶ These issues are compounded by poor flexibility in childcare, including lack of co-located pre-school and childcare centres.

1.34 Government policy has historically reflected the view that childcare was a community responsibility, not a government responsibility. Moreover, until fairly recently, the overwhelming majority of children were cared for at home by parents, typically mothers. In the 1950s and '60s, this was the predominant social expectation. There was therefore minimal demand for childcare services outside the home. Some witnesses noted that this type of care by parents was preferable to formal, centre-based care.²⁷

25 Boston Consulting Group, *National Early Childhood Development Strategy - Report of the ECD subgroup of the Productivity Agenda Working Group, COAG, 25 September 2008*, p.21.

26 However, the government announced earlier this year plans to introduce a paid parental leave scheme from January 2011.

27 See, for instance, Family Council of Victoria, *Submission 45*, p. 2.

Rejections of childcare

1.35 The committee notes the submissions to its inquiry from organisations and individuals who have a principled objection to childcare.²⁸ This core principle is bolstered by research which suggests harm can result from leaving children in care.²⁹ Witnesses pointed to the emotional suffering of children, particularly infants, when deprived of immediately accessible parental affection. Evidence is also quoted of wider social surveys of adolescents which suggest longer-term adverse affects on personalities of young people as a consequence of the traumas of early childcare. A witness from the 'Children Need Parents Campaign', citing research from the United States, informed the committee that:

[t]his longitudinal study, known as the NICHD study, shows that there is a much higher risk of depression, aggression, anxiety, even cruelty, lack of empathy and other behavioural problems in children, depending on the amount of time they spend in day care in particular and that these problems persist for life. This longitudinal study has been going for 15 years. The 15-year-olds in the study have now been identified as having lower cortisol levels, which was a previously unheard of finding. However, the study also finds some benefits from long, early day care. It is not a biased study at all; it is an extremely high level study—a \$150 million study. There are some mild cognitive benefits from early day care. I have to stress that the disadvantages or the harm that I have referred to are also small, but the concern is that these will aggregate. Whilst you may have two disruptive children in a classroom who have spent a long time in early day care and the teacher may be able to control the class, what is going to happen when that is 28 out of 30 children?³⁰

1.36 Research from Sweden was also cited as the example of 'where we are heading', and where it is claimed that provision of parental leave has led to serious social problems amongst Swedish teenagers, where '[t]he mental health problems of adolescents are horrendous'. The committee was told by Mrs Tempe Harvey that, currently, 81.3 per cent of Swedish children aged between one and five are in day care centres and that Australia was heading down the same path.³¹

1.37 The campaign for paid parental leave, which has wide support across the Parliament, also reflects a widespread community view that babies should be with their mothers. The matter of infants in care was addressed for the committee by Dr Tim Moore, from Monash University's Children's Research Institute, who stated that

28 See, for instance, Dr Peter Townson, *Submission 36*, p. 1; Australian Family Association SA, *Submission 44*.

29 See, for instance, the discussion of a Canadian study by Jay Belsky in Family Voice Australia SA, *Submission 46*, p. 3.

30 Mrs Tempe Harvey, *Committee Hansard*, Brisbane, 15 July 2009, p. 27.

31 *Ibid.*

children could be put at risk if parents are forced to work and have little choice in the way of quality childcare. Dr Moore told the committee that:

[w]ith regard to the issue of the first year of life, the evidence certainly does suggest that we are putting kids at risk if we require or have conditions that force parents to return to work early in the piece and use child care when they might have little control over the quality and choice of those options.³²

1.38 Another aspect of the opposition to childcare – and to paid parental leave – in a number of submissions was the seeming inequity of providing more government financial assistance to parents who put their children in childcare than is provided to parents who stay at home with their children.³³ It was argued that women who sacrificed a career were entitled to compensation, especially in view of the social good that was the consequence of this sacrifice.³⁴ Some submissions called for an overhaul of the tax system to reduce the tax burden of the working spouse, usually the husband.³⁵

1.39 An alternative view of the need for childcare was put to the committee by a director of a childcare centre in Perth who explained the modern attitude to care from the point of view of women.

It is so vital that women are comfortable and feel okay about going back to work. So my first reaction, my gut reaction, to listening to those ladies [previous witnesses] speak was that what you are doing is not respecting the fact that women are choosing to have a break from their children to try and be better parents and to try and have more energy. We are having children a lot older. We are not 19 having children any more. We have had careers. We have had money. We are educated. We are not women who are used to staying at home. So that, by its very nature, is not conducive to having our children at home seven days a week with us.³⁶

1.40 The committee regards the complex issue of combined income and shared taxation as one which is well beyond its terms of reference. This matter will be addressed in chapter four. Governments must weigh the claims for entitlement against those of need, striking a balance between offering extra support to needy families and offering equal support to all families to access childcare. The need for quality childcare for children of all ages is beyond question and governments have a responsibility to ensure that it is regulated and affordable.

32 Dr Tim Moore, *Committee Hansard*, Melbourne, 21 July 2009, p. 63.

33 See, for instance, Mr Peter Phillips, *Submission 50*, p. 1; Australian Family Association (Vic Branch), *Submission 15*, p. 2.

34 Mrs Ros Phillips, *Committee Hansard*, Adelaide, 22 July 2009, p. 44.

35 See, for instance, Mr Dean and Mrs Tempe Harvey, *Submission 62*, p. 20.

36 Mrs Sarah Lovegrove, *Committee Hansard*, Perth, 7 August 2009, p. 93.

1.41 A range of needs are addressed by childcare services. Mr Ian Polman, for instance, informed the committee of his satisfaction with the standard of care in the childcare programs that his children attended; however, he had fears of the experience being ruined by such ideas as 'trying to ram even more education into children at ever decreasing ages', with the result that childcare would become too expensive for many parents, such as to create a divide between the 'haves and have nots'.³⁷

Public good or industry?

1.42 A range of witnesses indicated to the committee that the childcare sector has come to be seen as an industry and childcare as a commodity, where parents are consumers and the market controls price and distribution.³⁸ This approach takes little heed of children's needs and in fact views children as products or units of revenue production.³⁹ ABC Learning's business model has been described as 'care is a commodity rather than community service'.⁴⁰ In contrast, school education has long been regarded as a 'public good'. Knowledge and skills are basic to the building and maintenance of any society. It follows that as scientific research has established the crucial role of early childhood learning in social and cognitive development, provision of appropriate learning opportunities for children from the earliest age is also a public good.

1.43 A public good is not just any 'service'. We do not speak of schools providing 'services'. A complaint often made by childcare experts is the need to think of childcare other than as a 'childminding service'.⁴¹ There is now wide acceptance that childcare involves a learning and socialising process that provides the vital first step to life-long learning. It is important that parents understand this process and have access to information regarding their services to ensure their early childhood and education settings meet the families' expectations and needs.

Conclusion

1.44 The provision of childcare is multidimensional and childcare is a service that is connected to many other economic and social policy determinants. The provision of childcare is closely linked to the education system but is also shaped by family support and allied health mechanisms. Furthermore, childcare is important to the nation's economic wellbeing through parents' workforce participation and productivity.

37 Mr Ian Polman, *Submission 85*, p. 1.

38 Early Childhood Australia, WA, *Submission 13*, p. 2. See also Joy Goodfellow, 'Childcare Provision – Whose responsibility? Who pays?' in *Kids Count – Better early childhood education and care in Australia*, Elizabeth Hill, Barbara Pocock and Alison Elliott, (eds), 2007, p. 249.

39 Centacare Broken Bay, *Submission 24*, p. 6.

40 Jeanne-Vida Douglas, 'Suffer the Children', *Business Review Weekly*, 27 November 2008.

41 Ms Denise Taylor, *Committee Hansard*, Perth, 7 August 2009, p. 21.

1.45 A wide range of factors must be considered within the provision of childcare. These include the types of programs and experiences that we want to be available to children, the various ways of funding childcare (and their effects upon the sector), as well as the make-up of the childcare sector and the types of providers in the sector.

1.46 This report discusses a range of issues salient to the provision, funding, planning and oversight of childcare services. The lessons from the growth and ultimate collapse of ABC Learning are described in chapter two. Chapter three surveys some of the research relating to children's development and its application in the provision of childcare together with discussion of the need for planning. Changing funding policies of various governments are discussed in chapter four with recommendations on future funding. Chapter five presents issues related to the accreditation, regulation and licensing of childcare services and proposes a new structure for a national childcare authority.