

# The Commission for Children and Young People and Child Guardian

promoting and protecting the rights, interests and wellbeing of all Queenslanders under 18

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**Advice to:** Senate Education, Employment and Workplace Relations Committee  
**Topic:** Response to Inquiry into the provision of childcare  
**Date due:** 30 January 2008

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Thank you for providing an opportunity for the Queensland Commission for Children and Young People and Child Guardian (the Commission) to comment on the provision of childcare.

The Commission has a mandate to promote and protect the rights, interests and well being of children, particularly the most vulnerable. The most vulnerable children may include infants and toddlers, children living in alternative care, those experiencing poverty or homeless situations and Aboriginal and Torres Strait Islander children.

The Commission's ongoing interest in policy improvements to support the care and education needs of infants and young children has resulted in collaborative research with the NSW Commission for Children and Young People and the National Investment in the Early Years organisation (NIFTeY). This collaborative work includes the publication of the 2006 report, *What about the kids? Policy directions for improving the experiences of infants and young children in a changing world*.

The quality of the experiences and relationships of young children, particularly infants, are highly significant in their development, and have a major impact on their immediate and future life chances. While good quality childcare can make a positive difference in the lives of vulnerable children, poor quality childcare can actually be detrimental<sup>1</sup>.

The Commission welcomes the Senate Inquiry and makes the following recommendations:

## **Summary of Commission's Recommendations:**

- The Federal Government should take overall responsibility for the planning and shaping of childcare provision to ensure it meets the needs of families and children, particularly the most vulnerable children
- Public investment in childcare should be directly linked to the identified quality cost drivers of: more highly qualified staff; lower staff-to-child ratios and smaller group sizes
- The Federal Office of Early Childhood Education and Care should administer a representative stakeholder and expert body that can inform and advise governments on childcare provision and planning
- Government policy should ensure that childcare provision complements and contributes to related government priorities such as improving educational outcomes, closing the gap and protecting children

## **Commission Recommendations:**

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<sup>1</sup> Centre for Community Child Health, 'Quality in Children's Services', Policy Brief No 2 2006.  
[www.rch.org.au/ccch/policybriefs.cfm](http://www.rch.org.au/ccch/policybriefs.cfm)

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## **Inquiry terms of reference:**

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

The collapse of ABC Learning has had unfortunate consequences for the children, families and staff of these centres. The instability, fear and stress caused by the collapse was avoidable and measures should now be taken by government to ensure that similar detrimental policy outcomes are not repeated. ABC Learning's collapse provides powerful evidence that government policy settings need to be significantly altered if childcare provision is to improve.

Childcare provision has wide-ranging impacts on families who are directly affected by issues such as affordability, availability and quality. Parents of young children who do not have extensive extended family support options may rely totally on government supported childcare to engage in work or study. Childcare can also provide support for parents and very young children who may be coping with high levels of stress due to factors such as poverty or isolation.

Parents who are engaged in the workforce will only perform at optimum levels if they know their children are in a safe, caring, stable environment with appropriately qualified and remunerated staff. The quality, affordability and provision of childcare all contribute to short and long-term outcomes for children, parents, communities and the economy.

This Senate Inquiry coincides with recent important Federal Government initiatives that should also improve childcare provision, in particular, the development of the National Quality Framework for Early Childhood Education and Care (the Quality Framework). The Quality Framework promises a nationally consistent and integrated licensing and accreditation system; an Early Years Learning Framework to guide curriculum; a workforce development strategy; high, consistent national quality standards; universal access to 15 hours a week of early education for all children in the year before compulsory schooling and the establishment of 260 early learning and care centres providing integrated service delivery.

This timely opportunity to evaluate childcare policy provision and implement appropriate reforms in the wake of the collapse of ABC Learning also provides scope to enhance and support the goals of the Quality Framework, as well as the Education Revolution and Closing the Gap initiatives.

### **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,**

# The Commission for Children and Young People and Child Guardian

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- 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**

The Commission notes that successive federal governments have provided substantial amounts of expenditure in the area of childcare provision, however, this public investment has not always resulted in value for money for children, families or the economy as a whole. There are a number of inter-related government policy decisions that have facilitated both the phenomenal growth and subsequent collapse of ABC Learning.

While many existing childcare services offer exemplary care and educational programs, government policies also have wider ramifications for general childcare provision in Australia. A number of the childcare policy issues of most concern have been highlighted in national and international reports<sup>2</sup>.

Current government policies rely heavily on market trends and mechanisms, instead of proactive planning to shape childcare provision. An over reliance on the market combined with an absence of regulation around the use of public investment have impacted negatively on childcare quality.

In the Commission's view, a lack of checks and balances around governance and business practices of the major private childcare provider, were further compounding factors in the collapse of ABC Learning. The company's rapid growth through takeovers, its corporatisation, listing on the stock exchange and the added pressure of large numbers of shareholders expecting high returns, were developments that had a strong likelihood of being detrimental to children's best interests.

The questionable business practices of ABC Learning<sup>3</sup> are in many ways unique. The existence of some private providers in the childcare sector need not inevitably lead to poor quality, however, governments should acknowledge the potential adverse policy outcomes and plan accordingly. Issues to be addressed include the possible growth of large commercial companies at the expense of small concerns and the tensions that can develop between the requirement to make a profit and the often substantial costs of providing high quality childcare.

Pressures to increase profits at the expense of meeting children's needs reduces quality and poses ethical dilemmas for staff and management<sup>4</sup>. The complexity of a

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<sup>2</sup> Prepared by Frances Press, 2006. *What about the kids? Policy directions for improving the experiences of infants and young children in a changing world.* NSW Commission for Children & Young People, NIFTeY & Qld Commission for Children and Young People and Child Guardian.

Organisation for Economic Co-operation and Development, 2006. *Starting Strong II: Early Childhood Education and Care*. Paris:OECD.

UNICEF, *The child care transition, Innocenti Report Card 8*, 2008. [www.unicef-irc.org](http://www.unicef-irc.org)

<sup>3</sup> 7.30 Report, 26 August, 2008. [www.abc.net.au](http://www.abc.net.au).

*Tough lessons at ABC*, The Courier Mail, 25 September 2008

<sup>4</sup> Elliot, Alison. 2006. *Early Childhood Education: Pathways to quality and equity for all children*. Australian Council for Educational Research.

# The Commission for Children and Young People and Child Guardian

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relationship-based human care service such as childcare provision requires sufficient government scrutiny and monitoring to ensure that public investment is used wisely and that children's needs remain the highest priority.

The main government strategy designed to assure high quality when public funds became available to for-profit childcare providers in 1991 was the development of the national accreditation system. Despite the intent of the Quality Improvement and Accreditation System (QIAS) uniformly high quality childcare is still not universally available in Australia. Statutory bodies such as QIAS have no control over wider government policy settings or market mechanisms.

Government planning and intervention is necessary to moderate or avoid other market-driven behaviours that could adversely impact on children, such as high staff turnover, business closures and instability. Market mechanisms and time frames do not necessarily match the developmental needs and time frames of very young children. For example, developing a new business venture and guaranteeing ongoing profit margins may take years. A six-week old baby enrolled in such a service will never get back the two years it may take the service to 'get things right' to make the business viable.

There has been an ongoing decline in the number of not-for-profit childcare services over the last decade in Australia with the for-profit sector now delivering approximately 73% of childcare services in Australia. One of the consequences of the increasing lack of diversity of childcare provision has been that real choices for parents continue to diminish.

In 2000 it was argued by government that the introduction of the childcare benefit (CCB) funding model that pays subsidies directly to parents would, in conjunction with market signals, facilitate consumer choice. Parents are meant to be able to choose the service that meets their needs, and if quality is lacking, they will 'simply' withdraw their child and find another more suitable service.

However, removing a child from a childcare service is never a 'simple' matter, given that the child will have already developed important attachment relationships with staff and other children and be familiar with the setting. Once the decision to find an alternative service has been made, it is not easy to find a vacancy in a service that offers high quality care and education, with affordable fees and in the right geographical location.

Australian childcare fees are relatively high and in some instances families cannot access any approved service at all for their children because of the increasing costs, even when they are eligible for the maximum CCB rebate. It is also the case that many low income families have no adults employed in the paid workforce<sup>5</sup>, which can create further barriers to accessing approved childcare services.

Childcare providers also face difficulties when establishing and maintaining services in rural and remote areas due to cost and staffing factors. These factors also impact on services for children who require extra support and expertise due to disability or specific

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<sup>5</sup> McNamara, J., Lloyd, R., Toohey, M. and Harding, A. 2004. Prosperity for All? Report for ACOSS, Brotherhood of St Laurence, Anglicare NSW, Australian Education Union, Family Services Australia, Sydney Welfare Rights Centre, NATSEM, Canberra.

# The Commission for Children and Young People and Child Guardian

promoting and protecting the rights, interests and wellbeing of all Queenslanders under 18

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learning requirements, such as trained multi-lingual staff to work with children who are learning English.

Aboriginal and Torres Strait Islander childcare provision needs to be carefully planned in consultation with local communities, as well as culturally appropriately staffed and managed so it can meet the needs of children and families.

Compromises on quality, availability and affordability of childcare have been further compounded by policy developments that consider the provision of childcare as mainly a labour/workforce issue, sometimes at the expense of children's best interests. Labour market participation (especially for women) is important, however, parents' work requirements and economic prosperity in the short term, need not compromise outcomes for children. Healthy, well cared for educated children today will improve general well-being and national productivity in the long term.

The main form of government funding into childcare provision is through the CCB and the childcare tax rebate, which are fundamentally demand side public investment strategies. While the progressive nature of the CCB (and now the tax rebate) is important in supporting low and middle-income families, there is evidence to suggest that over-reliance on a demand side investment strategy is problematic. International comparisons indicate that public supply side investment models not only lead to more uniform quality childcare services, but also allow for superior coverage of childhood populations than parent subsidy models<sup>6</sup>.

Care and education arrangements for children under compulsory school age who attend childcare settings in Australia have come to be considered as less important than those children attending sessional preschool and kindergartens. The detrimental 'care' versus 'education' division means that children who attend preschool or kindergarten have programs run by four year university qualified early childhood teachers receiving appropriate teaching wages and working conditions.

The childcare workforce, on the other hand, is not required to have four year university early childhood qualifications, except in the larger NSW centres. While many childcare staff have TAFE childcare diploma or certificates, many do not have any early childhood qualifications. Weak government regulations on childcare staff qualifications compound the related problems of low pay and poor work conditions, which in turn contributes to high staff turnover.

Future government funding for the sector should be directly linked to the identified quality cost drivers of more highly qualified staff; lower staff-to-child ratios and smaller group size. Sufficient public investment is also required to employ and retain tertiary qualified early childhood teachers to lead and mentor other childcare staff who should all have TAFE Diploma and Certificate level early childhood qualifications. The Commission strongly supports all efforts to raise the status, standing and conditions of childcare staff.

A commitment by government to link the funding through grants or subsidies with identified quality drivers is one strategy to avoid the wastage of public money that has

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<sup>6</sup> Organisation for Economic Co-operation and Development, 2006. *Starting Strong II: Early Childhood Education and Care*. Paris:OECD.

# The Commission for Children and Young People and Child Guardian

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occurred through the collapse of ABC Learning. Adequate amounts and types of government funding could also result in childcare care provision being more able to consistently support those vulnerable children who currently may not access any service, or those who may be attending poor quality settings.

## **d. the feasibility for establishing a national authority to oversee the childcare industry in Australia**

### **Commission Recommendations:**

- The Federal Office of Early Childhood Education and Care should administer a representative stakeholder and expert body that can inform and advise governments on childcare provision and planning
- Government policy should ensure that childcare provision complements and contributes to related government priorities such as protecting children, improving educational outcomes, and closing the gap

The Commission suggests that the Federal Office of Early Childhood Education and Care (the Office), within the Department of Employment, Education and Workforce Relations is ideally placed to take a lead role in future childcare provision. The Office could administer a representative stakeholder and expert body to inform and advise the Government on all issues related to childcare provision and planning. Such issues including funding; accountability and the new quality assurance accreditation system; streamlining and coordinating federal/state responsibilities for early childhood education and care and the new national quality standards.

The national quality standards that are currently under development will play an important role in lifting the quality of early childhood services. These standards will need to be implemented and enforced. The Office could oversee, monitor and update the national standards in line with relevant ongoing child development research.

Another significant role for the Office could be to oversee and facilitate connections between childcare provision and related Federal Government initiatives that aim to improve the quality of education such as the “Education Revolution” and “Closing the Gap” strategies designed specifically to support Aboriginal and Torres Strait Islander children. Other policy initiatives focussing on vulnerable children and families such as the White Paper on Homelessness and the National Child Protection Framework highlight the importance of prevention and early intervention strategies.

Attending good quality childcare is, in itself, an effective intervention strategy for vulnerable young children. Well run centres implement effective strategies to promote social inclusion for all children and their families and actively engage parents and enable them to be involved and connected within local communities.

Government support and planning could enable more childcare services to provide the type of flexible and affordable integrated service delivery that can improve the lives of

# The Commission for Children and Young People and Child Guardian

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disadvantaged families<sup>7</sup>. Another positive development of the roll-out of the Australian Early Development Index (AEDI) from 2009 will assist in identifying those communities who would most benefit from such services.

Childcare provision that is supported by government through policies and financial investment has the ability to make a positive difference for individuals, the community and the nation. The Commission notes that achieving the goal of nationally consistent high quality childcare provision will not be easy or cost-neutral, it will take time and need to be implemented in stages, however, the long-term benefits will outweigh the short-term costs.

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<sup>7</sup> Centre for Community Child Health. *The Impact of Poverty on Early Childhood Development*, Policy Brief No 14 2009. [www.rch.org.au/ccch/policybriefs.cfm](http://www.rch.org.au/ccch/policybriefs.cfm)