



# Local Government Statement On Childcare

October 4<sup>th</sup> 2007

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## 1. Preamble

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The VLGA believes that all children should have access to high quality and affordable early learning education and care. In this sense, we believe that there is much that local communities and Local Governments agree on when it comes to childcare. We all agree that quality and access should come before profits, and that children's services need to be viable for the long-term sustainability of the sector.

Approximately fifty out of seventy-nine Local Governments are direct providers of long day child care (Australian Services Union: 2007). Local Governments play a key role in the provision of early childhood services including child care and maternal-health and welfare services for children.

Despite playing a central role in the provision of childcare services, Local Government is too often left to 'carry the can' for a lack of action and integrated planning by other levels of Government. The cost-shifting that can also occur is well known to most Local Governments.

The VLGA confirms its ongoing support to Local Governments in the support roles that they play in children's services, including childcare and we support a range of management models whether they are Local Government owned and/or managed, community managed or privately managed.

We also know that many Local Governments do not currently directly provide Childcare services. We believe that there are important roles that all local government's can play, including advocacy to ensure quality and access come before profits and the importance of a viable community-based childcare sector.

In August the VLGA held a well-attended Childcare Forum to see if we could bring local governments towards a position of agreement, rather than accepting the widely different opinions on this topic. This direction was overwhelming supported and has led to the development of the attached *Local Government Statement on Childcare*.

This Statement includes a series of recommendations that were also arrived at following discussions with agencies and members such as Community Child Care Victoria, as well as relevant unions.

We are now asking Local Governments to support with the aim of us speaking with a strong voice into the future. This does not mean that by endorsing this Statement, you have to agree to play the same roles as other local governments. It simply means that you agree that better quality, accessible childcare is fundamentally important to local communities.

## 2. Policy Background

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In Australia, we have moved from a system where not-for-profit childcare services received capital funding and sustainability funding from the Federal Government (until 1998) to a more indirect means of funding the system through direct payments to parents (often called a 'market approach'). Since then, the Child Care Benefit (as the remaining form of subsidy from the Federal Government) has been paid to parents to off-set fees. This bears no relationship to actual childcare costs, leaving many centres having to increase fees and/or reducing quality.

We are now seeing the implications of that policy shift on the quality, affordability and accessibility of services. Quality is undermined when we see professionals employed in the childcare sector receive lower wages, less professional status and poorer working conditions than their counterparts in the pre-school and primary school sectors. As a result of low wages and poor conditions fewer people are seeking a career childcare, leading to the increasing employment of less qualified staff to positions of responsibility.

Several Government reports have acknowledged that this trend poses a threat to the quality and viability of childcare services in Australia (Watson, 2006). Poor staff retention rates (reported nationally at 25% after three years) and an inability to attract new people to the profession, results in a lack of qualified staff, further undermining the growth of long-day care places (Department of Human Services: 2006).

Over the past thirty years, there has been a well documented marked increase in demand for childcare services. This has occurred as a result of significant labor market and demographic changes including increased workforce participation of women, as well as changing family structures. Childcare is increasingly seen as critical to allowing men and women to balance paid work with their family responsibilities.

Despite this, there is increasing evidence that this demand is not being met, and that quality, accessible and affordable childcare services are being undermined by prohibitive costs, as well as a lack of planning and co-ordination of services.

For each of the last four years, out of pocket childcare costs have increased by more than 12% per year, and this is unlikely to decrease despite the fact that the proportion of families with children under twelve who now purchase formal childcare each week has risen by over 65% since 1996.

### 3. Why the need to speak out with a strong voice?

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There are now many voices coming together that are focused on a shared vision for well-planned and integrated service delivery.

The attached *Local Government Statement on Childcare* respects this diversity of views, while at the same time agreeing on a set of principles that have been shaped by the VLGA's Childcare Forum and subsequent feedback.

Articulating our areas of agreement positions the sector to have a strong voice in the lead-up to and following the Federal Election.

#### **Is this good enough?**

- ✗ Australia is a low spending country when it comes to expenditure on childcare – the second lowest of the fourteen OECD industrialized countries (OECD: 2006)
- ✗ Australia's national performance on expenditure on child care is poor as a result of the deterioration of public funding and the trend of cost-shifting in education costs away from Federal Government investment in universal services, to a user-pays system with minimal subsidies
- ✗ There is a lack of Australian based comparative data informing childcare policy makers in the Australia, and
- ✗ Australia's early childhood education is not competitive by world standards. We invest 0.1 per cent of GDP in early childhood education compared to an OECD average of 0.5% (Marginson: 2007)

#### **Imagine what's possible!**

- ✓ The long terms benefits of expenditure in early childhood education are significant, with every dollar spent in this area, there are total economic benefits of \$8.11 (Martin: 2004)
- ✓ The early experience of our children in terms of quality care and education impacts positively on children's emotional health and well-being, school achievement, school retention, employment, earnings and criminal behaviour (Barnett, Schweinhart and Montie: 2004), and
- ✓ Investing early will lead to wider 'pay-offs' and social dividends (Barnett, Schweinhart and Montie: 2004).

# Local Government Statement on Childcare

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We, the undersigned Victorian Local Governments note the importance of child care and the benefits it provides including community strengthening, community wellbeing, as well as social and economic sustainability.

Local governments are well placed to play a role in the direct provision of early childhood services because of the capacity of local governments to:

- Respond to local needs;
- Address planning implications through local plans;
- Provide effective networking and professional development for staff and parents;
- Effectively integrate the range of family services offered;
- Deliver excellent and highly appraised early learning education and care services;
- Attract experienced and skilled employees in family services;
- Deliver affordable services;
- Advocate to other levels of government.

We therefore support the following range of recommendations that seek to improve the quality, affordability and accessibility of childcare.

## 1. Response to the State Government's Children's Services Regulations Review and the provision of quality child care services

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- ✓ **Improve Staff to Child Ratios** for centre-based services (particularly for babies)
- ✓ **Maximum Group / Room Size** to ensure that noise levels are controlled and the dynamics of the environments in which children spend their time
- ✓ **Raise the Level of Qualifications Required**
  - Minimum Certificate III in Children's Services for all staff (Certificate III should be regarded as a minimum training requirement, not as a qualification)
  - At least one staff member with a 3-year degree in early (LDC) / middle childhood (OSHC) in every service, and
  - Every group of children should have at least one fully qualified staff member included in the care givers (Diploma level or higher)
  - Increased opportunities and support for degree studies in recognition of the continuum of learning and the integration of kindergarten and child care services
- ✓ **Appropriate Programming** to ensure that all children have access to a program which is developmentally and culturally appropriate and adequate planning time
- ✓ **Phase-in of all New Regulations** to allow time for services to adapt to the requirements of the new Children's Services Regulations, with funding for

training or any required building renovations in not-for-profit community owned services.

- ✓ Maintaining high standards for accreditation. The Childcare Quality Accreditation System, which is currently under review, needs to be focused on quality and continuous improvement, not just meeting minimum standards. Simply by having 'Quality' inserted in the system name will not achieve this on its own
- ✓ Operational funding for not-for-profit sector to meet standards of best practice including exemplary staff conditions, wages and skill recognition to ensure staff retention
- ✓ Increased opportunities for workforce skill development by way of further study to complete appropriate degrees and diplomas

## **2. Affordability**

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- ✓ A partnership approach led by Federal Government and involving State and Local governments to ensure an increase in the number of child care places at community-owned and managed services
- ✓ Capital funding grants to local government and other not-for-profit child care centres to upgrade not-for-profit services to ensure they can continue to operate safely and provide high quality care
- ✓ investment in innovative not-for-profit community owned services to meet the needs all children in all communities particularly indigenous, rural and CALD.
- ✓ The exemption of childcare from National Competition Policy and the application of competitive neutrality.

## **3. Areas of Need**

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- ✓ The Federal Government must recognise the shortcomings of the 'market' approach to funding childcare
- ✓ Extra funding should therefore be targeted at not-for-profit services in local communities experiencing unmet demand (especially those in high growth corridors, and in areas where land costs are prohibitive) and in areas of low socio economic need. This funding should also target:
  - Under three year olds
  - Children with additional needs
  - Occasional care
- ✓ Development of a State Government regulated waiting list system that is managed by Local Government and meets the needs of data collection and accessibility to quality child care.

#### **4. Sustainability and Collaboration**

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- ✓ Information sharing about the diversity roles Local Governments can and are playing.
- ✓ Data collecting and sharing (including a universal waiting list) to support planning as well as advocacy for further funding from State and Federal Governments
- ✓ The formation of a Local Government and Community Childcare Alliance that;
  - Acknowledges the complexity of individual needs and contexts in Local Governments, and partnerships that could be developed to expand the not-for-profit community sector
  - Seeks to broker common areas of agreement rather than focus on disagreement
  - Asserts the importance of Municipal Early Years Plans in policy development
  - Has early input into the role of Local Government in the roll-out of integrated service delivery in co-located child and family services hubs.

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