



CAA WEBCAST FORUM

MAL BROUGH

Minister for Family and Community Services and Indigenous Affairs

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ANNE CLARK: I'd like to introduce the Honourable Mal Brough, Minister for Family and Community Services and Indigenous Affairs. Welcome to CAA Webcast, thank you very much for speaking to us today.

MAL BROUGH: Thanks Anne, good to be with you.

ANNE CLARK: Thank you. Minister, first if I could ask, what are your proposals for increasing investment in Australia's childcare?

MAL BROUGH: Well look the good thing Anne is that there has been a massive injection of capital both government as well as private sector over the last 10 years, that's doubled the places and its also meant that the tax payers have doubled their contribution.



BYTEXT

Moving forward we now for the first time have real evidence of where there are almost over or under supply and its about 20 to 30 locations. We'll have more data on that in the next month or so and that means as a result of the Commonwealth and Coalition's policy we will be providing a million dollars per location to local governments to invest in the not for profit sector to be able to build additional capacity. Now that could be an extension of existing childcare centre or it may be a new childcare centre. It doesn't mean that the councils can't utilise private providers, but it will actually go to where the demand is.

We had a lot of anecdotal feedback, often on the air, but as you know with your members what they experience on the ground is so many of them still have capacity and we've got to tell the truth to them and to the public so that we get the best utilisation. But there are some hot spots and this direct assistance to help them and people should never forget this is not just about long day care, this is about occasional care and before and after school care and its about family day care and all of those now are basically unlimited so people can actually choose to grow their services.

Here in my own electorate I was visiting a local service, in fact it was Lady Gowrie only this week and I was saying how as a result of removal of the boundaries they had extended their network, their footprint and their number of family day care workers and that's exactly what we're trying to achieve, more diversity, more opportunity and people who are actually striving to deliver the



service that's needed.

ANNE CLARK: What are your proposals for maintaining and improving affordability particularly in relation to the parent childcare benefit?

MAL BROUGH: In many areas the affordability and for many Australians is okay but there are issues and I think the most important thing that we can do is to remove the stress off people when they have to pay. Now when we introduced the Childcare Tax Rebate that was in a response that there are those people who have reasonable out-of-pocket expenses and that 30% meant the Commonwealth would take on a big slab.

We've actually gone to the next step. Because we've invested in the Childcare Management System it means we're going to be able to provide your members the centres with that money up front and therefore its going to reduce the pressure on the household budget on a fortnightly or weekly basis. It probably also means that the centres will be chasing fewer bad debts, it means they have a better cash flow and that takes pressure of them at the bank as well and it takes pressure off the families. So I think they are very practical things and very importantly for the first time nearly 200,000 families will benefit as a result of the education rebate, not the childcare rebate the education rebate being available to preschools so that year before school and the kindergarten setting. That is incredibly important because those people their needs haven't been met

sufficiently by the States, we're providing that additional support. So it's about the family not about a sector and what we're trying to do here is to ensure that everybody actually has a learning environment, a safe environment and an affordable environment. So that's the way that we're tackling it.

There's an investment of over \$11 billion dollars. This policy of bringing the Childcare Tax Rebate forward and paying it via the centres is an additional cost of in the order of over \$600 million dollars.

ANNE CLARK: What are your proposals to help the sector attract, train, recruit and retain a workforce.

MAL BROUGH: It's a funny thing we've had, this area we used to have 14% unemployment, it wasn't hard to attract workers into any industry, they were champing at the bit to get a job. We all know, we hear of skill shortages but we actually have a labour shortage in many areas, we have full employment in many locations. So if you were just to talk in glib terms of what we'll do is we'll make everyone a university degree or whatever else to come into childcare, childcare's not actually about a university educated educator. It's about a play-learn environment and I think there is a specific skill set that's needed there. That's not to deride teachers, they're an important part of it but I don't think that is ultimately going to help in what we're trying to achieve and what parents want out of childcare.

We actually have to grow the labour market. So here is a particular example whereby our welfare to work reforms are going to bring more people into the labour market. By having an aspiration that people won't pay any tax until they've earned \$20,000 dollars, means that so many of our family day care workers and our part time workers won't pay any tax so you're removing some of those disincentives. They are the things that we think are important and valuing the sector not continually putting the sector down and putting it under pressure so that young men and women actually see this as an opportunity not just as a last gasp opportunity but as something that's important that they want to be fulfilled in and not putting artificial barriers in the way saying that you're really not cutting the mustard unless you have a university degree.

We went back through that sort of in the 90s and that's why we didn't have any people going into trades because they were told "if you didn't go to uni your kid was somehow second best". It took a long time to overcome that, we don't need that sort of stigma in such an important industry. Its most importantly we need to grow the pool of people who can choose where they go, we need to increase their capacity to earn by reducing their taxes and we need to support the industry and we don't need to put artificial barriers in place and I guess that's the mix of things that we intend to bring to the table.

ANNE CLARK: What are your proposals for ensuring that the increased investment you were talking about in the childcare

sector is sustained by going into areas of need rather than areas of supply so what mechanisms are there for that?

MAL BROUGH: People were flying blind, you know, not this government nor previous governments could actually point to the shortages. By investing in the childcare management system in just a few months time as you know we will have absolutely up to the minute information about vacancies and we can make that information available to investors. Investors being whether they're councils wanting for not for profit organisations wanting to use the million dollars that we are making available or whether it be the private sector or whether it be a small operation wanting to get into before and after school care whatever it may be.

It's only through available quality information which people can actually make good decisions on will enable them not to buy or build a centre somewhere which isn't viable. We've seen in south east Queensland, particularly the Gold Coast, an oversupply for some considerable time, you know, we actually put a cap on it as you recall back in the 1990s and then you had a challenge in some localities. So what we're doing is assisting people, councils, not for profits with that million dollar investment and can I say at this point this is where there's a clear differentiation between us and the Labor Party. The Labor Party has gone out there and said we're going to put up 250 new centres, where? They can't say where because they know full well that to put that out will actually cause havoc amongst many for profit and not for profit organisations,



some that have been in the business for years because there isn't the demand to support two centres.

We've seen that at the moment in some localities. They want to exacerbate that problem. So we need to have the best information, we need to make it available to industry groups and to people who want to invest and not in a way which is commercially in confidence or going to breach people's commercial in confidence but empowering the market.

We are a big player in this investing \$11 billion dollars we do want to see people with quality and availability and we want to see them have the affordability and a big part of that will be based on their Childcare Management System.

ANNE CLARK: What are your long term proposals for the governance of the childcare sector in terms of particularly accreditation, regulations?

MAL BROUGH: Mine is what the industry is telling me. Sick and tired of having a thousand ticks and flicks, you know, we've all heard them before. The certificate was on the wrong part of the wall, you know, just ridiculous things. That doesn't actually help a parent to understand whether what you are operating is a good quality, safe environment for my child or not.

What we say is you are either up to scratch or you're not. So let's make it simple for people to understand. At the moment you can fail

all sorts of things and in the Labor Party proposal you will be able to be A, B, C, D, E and on it goes I mean what does that mean to a parent? It goes a bit to the old school reporting. Was an F a fail? Well many parents these days don't know whether their kids pass or fail in school and we don't want that to flow through to the childcare sector. We intend to have as you know a full set of criteria where you must pass them because that is the standard.

Now there's a debate on whether we should be increasing or reducing I should say the number of children to carers. That's a debate that can be had and that we should engage in about what is best. As everyone knows it is the State Governments who currently set those ratios. It is the State Governments that currently set what is the size of the area that's required, but its my task to ensure that the Accreditation Board ensures that there is a vibrant learning environment in a play surrounding which is secure that parents are comfortable with and that we get the best for the children. I'm not going to develop that, you're going to develop that with us and our Advisory Boards have been incredibly powerful in that, they've been strong advocates, they know what they want. This is not done dumbing it down, it's about actually cutting through not having a heck of a lot of paperwork for the sake of paperwork and having things that matter.

I actually want to see the Directors being face to face more with the carers so if they have someone there that needs assistance, they provide it to them, not sitting back in the office filling out endless bits



of paper that has a paper trail which helps some bureaucrat in Canberra, it doesn't help the child and that's got to be our focus.

ANNE CLARK: What about in terms of regulations with the regulation overlap and governance...

MAL BROUGH: Regulation overlap is a very good point. I mean in NSW we know the State Government has cut the number of childcare personnel that come out and check for things such as safety. Safety is critical to me and what we have told the accreditation council is that when your spot checkers and accrediters go out if they see something like an unsafe, unhygienic practice obviously they're to notify the centre immediately. It is a State Government responsibility, inform them immediately and have it dealt with immediately.

But unless we're going to take over the whole responsibility, we need to know what it is that we are responsible for and we need to fulfil our tasks, we need to give parents the confidence that any day someone could turn up there unannounced and find out whether or not that centre's operating. Not just at a moment in time, at any time. We actually want the State Labor Governments to do the same about health and safety issues so that the things that they are responsible for they police. We'll look at them, we'll always advise them, we'll always have the child's best interests at heart but we will not be overlapping and trying to do everyone's job and then second guessing them, that just creates another paper war burden for you

and your members.

ANNE CLARK: Is there anything else that you would like to share with the members?

MAL BROUGH: I think childcare today is probably more important than it's ever been in so much as its no longer a cottage industry, it is now a massive part of the Australian economy. For the sector to work we need to keep growing the economy, we need to keep having more people enter the labour market, people who have been marginalised in the past and when that happens for them to move from where they've been into the workforce they have to have the comfort and the confidence of knowing what they have in a childcare sector, not the long day care centre not the for profit and not for profit sector, the whole sector.

And I guess if I had a message it would be two things. One, I want to see the sector more closely together in the interests of not just themselves but everybody that they're there to help, the parent and the child. I think there's an important role that childcare can play beyond childcare. There are places where you get young parents who are unsure and they can actually find a place where there is a knowledgeable individual that can direct them and help them. That's a role that we are already exploring and I think we can go further there. That we'll be working with the childcare sector to do it. No one should be under any illusion, whether you're a private sector, not for profit sector, if we have fewer people in employment

there will be fewer people in the childcare sector and the sector will come under enormous pressure. We have to keep growing this economy, the childcare sector needs the economy to grow and the economy needs the childcare sector to grow and I want to be there to try and help those two things hand in glove make this nation what it can be. We can if we continue to run the economy and the country well, there's a lot at risk on the 24th and I hope that your members take that into account, consider where they've been and where we want to go.

ANNE CLARK: Just one issue that you touched on a moment ago with the changes to or impending changes to the child staff ratios and in particular one of our platforms has been the zero to three age group and obviously it is the age group that costs the most to provide services to, so have you thought about any forward policies for that age group in terms of affordability?

MAL BROUGH: It is a real issue, zero to two's in particular. You have different ratios from one State to another, you have lots of academics who tell you what the ratio should be. There is always a cost, a cost to the parent and a cost to government and we have to actually be robust in our understanding and our knowledge of what is workable and what is achievable. To that end I think that this is a debate that has to continue on. I do not want to see a circumstance where parents feel their only option is childcare. We need to and we believe very strongly in the coalition that in the first two years parents need to have as much choice as they can hence the family



tax benefit part B, hence the introduction of the baby bonus, trying to give people that option. That is important. When the child comes into some form of childcare we also need to make sure that those formative years are incredibly important, they are as positive as they can be and that the building blocks in their minds are developed the way they should be. I don't have specific additional things that we want to see there because I'm not a childcare expert but I think this is a debate that we need to be part of and we need to understand it and we need to understand all those ramifications and we want to be part of that.

ANNE CLARK: Thank you very much Minister.

MAL BROUGH: Thanks Anne, great to be with you.

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