A nearly useless Government budget appeal to women voters!

By Eva Cox

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This year's budget has been designed to make the government more popular with women. After virtually ignoring our needs in last year's budget and anger at workplace standards for female workers, it needed to act. With a coming election, this supposed improvement of funding of fee rebates for children's services is offered as bait. However, the changes are imposed on a service that over the last four decades has shifted from the community-based family support service it was to a limited privatised economic industry, driven by badly designed subsidies targeted at market forces.

Where once children's services were designed for kids, women and communities to improve lives, social skills and learning, its primary function now is to increase women's workforce participation and remedy children's deficiencies. The introduction of an activity (work) test by Centrelink to determine eligibility for places and subsidies, limits access to its educational and social services. The result is that it's now primarily an economic service, neither communal or social.

This was clearly outlined in an ABC Breakfast interview with Miranda Edwards, an Aboriginal Children's Service director, and Catherine Liddle, the head of SNAICC , the Indigenous coordinating group, about the failings of the current model to offer access to their services. These provide needed cultural and social support via learning goals. Now the processes of entry and control have become too bureaucratic and scary, so that fewer families who need the support and learning are using the centres. The process raised fears of being judged as inadequate parents and losing their children. To quote their media release:

Highlighting these issues shows the flaws in a system which is, on the one hand, over bureaucratic and off putting to disadvantaged parents, and on the other hand, not controlling enough of the quality and integrity of the providers. Where once the funding of federal children's services was targeted to centres and services with controlled budgets and fees, that were managed by the ethos of community services, now they are "customer-demand driven" and open to including profits in their budgeting. No control over planning where they are situated also means areas with too many centres in areas of cheap land, and too few in others!

There has been considerable analysis of the effect of the new government commitments to increasing funding to reduce fees of users, but none mention the likelihood that centres are likely to raise their fees in response. The promised reduction of fees emphasises that childcare is purely for parents' benefits, enabling them to take on extra hours of paid work or find a job. This will not increase GDP substantially, if at all!

The cuts to family fee payments are also unlikely to reduce fee levels if the centre fees are higher than the set government maximum. The current hourly cap is $12.20 an hour or $122 per 10hr day. An average offered by a NGO service group estimates daily averages nationally is around $113.64, suggesting maybe nearly half of the services are charging more than the government maximum. There are estimates that the range in Sydney would be from $70 to $188 per day, but I know local centres charging $200! These are indicators that a high proportion of people are paying substantially over the maximum rate and are not likely to have much, if any, savings from the proposed changes. While the Feds can raise the proportions of rebates, there is no compulsion to reduce user fees, as centres can and do set and raise their fees at will.

Were there to be a contract between funders and providers, there would be the ability of governments to control fees or insist on reductions. However, they are relying on market forces, ignoring that moving children from one service to another because it's cheaper is not the same as changing to cheaper dry cleaners. Relationships and familiarity are important so costs will not necessarily be the main factor in choices.

There are areas where fees are less than the federal maximum because local services are still there. Although they offer more affordable services they may also be in areas with fewer jobs and lower incomes, showing that fees are not all that blocks employment.

The whole sector is in trouble in ways that changes to fees will not fix. The dismal children's service sector has lost its sense of being valued and needed and is now just seen as underpaid and overworked. Lisa Bryant in her piece on Women's Agenda (https://womensagenda.com.au/latest/the-governments-proposed-childcare-changes-go-little-further-than-tinkering/) asks who is going to care for the children in this assumed expansion of services, as there is already a staffing crisis. ' Low pay is taking its toll,' she says.

'We are in the grip of a huge workforce problem in the early education and care sector. Our childcare centres can't get the staff they need and because staff numbers are set by regulation, if they can't get the staff they need, they can't care for as many children. Last year the Government itself reckoned that the sector would need an additional 30,000 educators and 7,000 additional teachers by mid 2024. And yet … one third fewer people enrolled in vocational training to become educators between 2016 and 2019 and only a quarter of the number of people enrol in early childhood teaching degrees now as did nine years ago.'

The once-valued community sector has become an economic adjunct to growing GDP. We need to return it to its position as a vital part of thriving communities, not just large chains that send profits overseas and underpay staff.

My proposal is simple. If the government did create both a planning and funding model to be applied to services, and add increased funding for salaries, it could create agreed fees and ensure a distribution of services that meets needs not profits. Returning the emphasis to family needs and educational gains and social integrations, the workers would feel respected and the parents content.

Where does my proposal come from? I have had a long and sometimes influential involvement in policy development in areas of children's services, starting in the 1970s when I established the first indirect commonwealth funding of an after-school program at Glenmore Rd public in Paddington to meet my own sole parent needs, and took on advocacy for funding for early childhood services for the newly formed Women's Electoral Lobby. In the 90s, I worked on the future expansion of services by developing the ALP policy of funding the program as a community service, offering care to meet children's needs and those of mothers who were moving increasingly into paid work.

We were successful and the government set up collaboration between states, local government and federal funding that created many new parental and local run services. Planning was integrated so services were established where children and families needed them, direct funding was provided by the Feds and fee relief offered to parents. Community connections were strong, and many were run by parent committees. There were some private ones, small businesses often run by qualified teachers, and their incomes were adequate.

Women were going into jobs and finding care that worked and was affordable. Yes, we needed more services but they were on the way and locally planned. Councils, collectives, parents, Co-ops, many different services but they offered choices and social engagement. Out of school care grew, as did holiday care

However, as the shift at the turn of the century to the paradigm of market forces started to invade community services, Paul Keating's Labor government offered fee subsidies to privately run services and some profiteers – we all remember how ABC Childcare rorted the system.

The major damage was done by the Liberals under John Howard. In 1996 he abolished the operational subsidy to not-for-profit centres so that fee rebates, targeted now at parents, became the primary mode of subsidising care. This move got rid of any relationship between the Feds and the centres. Another major shift was the abolition of Government capital payments, which had been available for decades to both plan for expansion of services and enable not-for-profit groups to build the needed centres in appropriate locations. This combination meant that there was no ongoing relationship between funder and provider, it was now between individual purchasers and increasingly corporate providers. Capital was only available from the private sector and decisions were shifted to investors not government or local communities. Centres were often provided in areas with low land costs, sometimes competing with existing community-based services which the chains hoped to drive out of business.

Rising fee costs reflected market pressures rather than any improved wages or care services. Capital and shareholder pressures from private entrepreneurs meant that centres needed to provide both profits and high returns on capital. Tight cost controls over staffing and other costs meant that services meet commercial priorities, not the community or user needs beyond what is required to sell a place in a commercial service provider model.

This economic-based model resulted in the focus shifting from services as community based. For some reason, this shift has been almost unquestioned till recently with the rise of foreign and local chains. Where these do occur, they relate more to ideological arguments about profit making and its possible ill effects on quality, than on the rights of children and parents to systems of publicly run community-based services.

So here we are, nearly 50 years after the McMahon Liberal government in 1972 funded salaries to improve standards of the few centres. Maybe it is time to look at the ill effects of privatising essential community services like these and aged care and the NDIS. Maybe we need to renew our interest in creating more civil societies and reduce GDP to a limited accounting system and return to setting fair social goals

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