

# Childcare red tape is keeping children safe <sup>[1]</sup>

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## EXCERPTS:

Nine children died while in childcare in Minnesota last year. In the same year in Australia, no child suffered an accidental death at a childcare service.

In the US, where there is great resistance to the intervention of government into business, the lack of regulation of childcare has resulted in a shambolic system in which children's lives are often in danger.

Australia, on the other hand, has had regulated childcare for decades. Companies and organisations that care for children are bound by numerous regulations that spell out everything from how much indoor and outdoor space each child must be allocated to the number of educators centres must employ and the qualifications these educators must hold.

Regulating childcare in Australia used to be a matter for individual states and territories. Last year, after a long process of negotiation through the Council of Australian Governments, the first national regulations for education and care services were introduced.

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In opposition, the Coalition long complained about these regulations, but waited until just two days before the election to release its "Better Child Care and Early Learning" policy. Its second pledge was to reduce the "red tape" of the regulations that govern the sector.

The particular regulations highlighted for review were staffing ratios and qualification requirements for childcare workers. Interestingly these were the two areas that necessitated the development of the new national regulations. The Rudd-Gillard governments, in an attempt to raise the quality of childcare, had focused on the two elements that research over decades has unequivocally shown raises the quality of early education for children: having more and more qualified educators within our childcare services. These two components are now the ones on the chopping block.

When childcare services were first established in the Whitlam era, most were community based, set up by local councils or groups of parents. During the Howard era, the dominance of these not-for-profit childcare services dwindled as operational subsidies were removed to allow for for-profit private operators to the industry. It was then that the now defunct ABC Learning grew until it provided 25 per cent of all childcare in Australia - before going into receivership. While these services are now owned by the not-for-profit organisation Goodstart, many smaller companies, including small family-owned ones, entered the market after ABC Learning talked up the profits that could be made.

What these operators failed to realise is that it is actually difficult to make money in childcare. There is an inevitable tension between quality and costs. The families who are your customers demand higher quality and yet it is this same high quality that cuts into your profits.

And it is along this line that support for the red tape of childcare cleaves. The majority of not-for-profit providers support the red tape that demands higher qualifications and more staff in centres. A vocal majority of for-profit operators oppose it. In an industry in which between 60 and 80 per cent of turnover goes to wages, every extra staff member you are required to employ cuts deeply into profits.

Market researcher IBISWorld describes the industry as having "shrinking margins for operators" where "the dominance of non-profit operators ... promises to be the defining story of the industry in the long term".

While in opposition the Coalition took the complaints of the for-profit operators to heart. The story of an industry beset by nasty red tape put on it by the Labor government was easy to sell. But the red tape the Coalition is promising to cut is the same tape that improves the quality of childcare and, at the extreme end, saves children's lives.

-reprinted from the Sydney Morning Herald

**Region:** Australia and New Zealand <sup>[2]</sup>

**Tags:** quality <sup>[3]</sup>

privatization <sup>[4]</sup>

legislation and regulation <sup>[5]</sup>

## Links

[1] <https://childcarecanada.org/documents/child-care-news/13/10/childcare-red-tape-keeping-children-safe> [2]

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