

The Federal and the Provision of Children's Services

Children's Services Action

THE CURRENT NEED FOR CHILDREN'S SERVICES

The provision of various kinds of children's services is central to the ability of women to participate equally with men in public life. At present the major types of children's services which exist in N.S.W. are, pre-school kindergartens, long day care centres and family day care schemes. Pre-school kindergartens cater for children in the year before school entry and most children attend only for two or three sessions per week. They are staffed by trained teachers who give an educational programme. Obviously, these services do not meet the needs of the great majority of working parents. Long day care centres supposedly meet the needs of parents who are working, but hardly any centres cater for children under two years of age. Most open between 8.30 a.m. and 5.30 p.m. In N.S.W. approximately 50% of long day care centres are run by private individuals seeking to make a profit; the rest are government funded and usually managed by the community. In both kinds of care the cost to the user is extremely high, (between \$35 and \$50 per week, per child) and equivalent to the cost of sending one's child to an elite private school. Family day care is a form of supervised, home-based care in which women care for up to four pre-school age children in their own homes, with occasional visits from trained staff. This form of child care is really government approved private minding. The pay and conditions of the workers (who are considered to be "merely housewives") are among the worst in Australia, yet the cost to the user is high, at about \$40 per week. Family day care is child care "on the cheap".

Surveys indicate that almost all parents want some form of care for their pre-school children, and 35% of mothers of pre-school aged children are already in the work force.¹ Yet government subsidised long day care centres cater for a mere 2% of Australia's 0-5 year olds.² The situation in N.S.W. is that only 8% of all children 0-4 have a chance of finding a place in any kind of government subsidised children's centre. Only 2% of children 0-4 years in this state have a chance of finding a place in a government subsidised long day care centre. For children under 2 years, the situation in long day care centres is even more acute. There is only one place for every 674 children in that age group.

The distribution of children's services is totally inequitable as well as totally inadequate. Funding for children's services is allocated on the basis of submissions made by community groups to the Commonwealth Office of Child Care. The submission model of funding means that the most articulate, leisured, educated and wealthy members of the community are the ones most likely to be able to write submissions and follow through the tangle of red tape involved in the eventual setting up of any centre. For example,³ in wealthy Double Bay, one in every two children has access to a child care place. In Bankstown, one in fourteen children has access to a child care place. The situation in rural areas is even worse, and 53 local government areas in N.S.W. have no provision for child care at all. Although both the Liberal and Labor Party policy states that child care provision should be based on need, the submissions model of funding ensures that it is usually based on social privilege instead.

Children's services did not rate a mention in the Prime Minister's policy speech at the last federal election, nor is the issue discussed in current federal Liberal or Country Party policy documents. Yet in past terms of office, coalition governments have taken some commendable steps - such as the introduction of the Child Care Act (1972) and the establishment of the Office of Child Care (1976). However, the present Federal Government has done nothing to extend these early initiatives, indeed it has done much to curtail them. The following table compares the Commonwealth's commitments since the 1973-74 financial year:

Year	Commonwealth Expenditure \$m	C.P.I. Increase	Commonwealth Expenditure Expressed in Constant 1973/74 \$m	Real Growth p.a.	Growth Index
1973/74	8.974	14.4	8.974		100
1974/75	45.230	16.7	38.717	- 331.4	431.4
1975/76	63.970	13.0	45.614	- 17.8	508.2
1976/77	67.086	13.8	41.617	- 8.8	463.5
1977/78	71.197	9.5	38.072	- 8.5	424.1
1978/79	63.836	8.2	30.893	- 18.9	343.9
1979/80	69.226	10.2	30.754	- 0.4	342.5
1980/81	74.034	9.4	29.535	- 4.0	328.8
1981/82	80.100		28.951	- 2.0	322.2

C.P.I. figures come from Commonwealth Budget Statements 1981/82; Budget Paper No. 1; Table 7, page 19 and are for C.P.I. - all groups.

We can see that Commonwealth expenditure on children's services has failed to keep pace with inflation since the 1975-6 financial year (the last year of the Labor Government). The biggest cut in expenditure was in 1978-9 when real expenditure was reduced by 18.9% compared to the year before. Since the peak year of 1975-6 the yearly allocations have been steadily reduced so that funds available in 1980/1 of \$80.1 m. represent only 63.5% of the funds allocated in 1976-6. Just to keep pace with inflation, if the same amount of resources were to go to children's services in 1981-2 as were allocated in 1975-6. This year's allocation would need to be of the order of \$117.5 m. and not \$80.1 m.

Not only has funding been cut, but budgeted allocations have been consistently underspent, in spite of a backing of community requests for services. In addition, some new welfare programs such as youth refuges and services for the disabled have been funded out of money set aside for desperately needed child care services. These new services should have been separately funded - the children's services program should not be viewed as a general welfare slush fund. There are strong indications that over the next year the Office of Child Care may be abolished and its functions handed back to the states.

THE LATEST BAD NEWS

No new children's services were funded in 1981 and there are no plans to fund any in the future.⁴ As a result of funding cutbacks the Office of Child Care now has five hundred submissions for child care services which are being ignored. Some of these services have already opened their doors because of past verbal assurances from the Office of Child Care that funding would be forthcoming. Many of them, such as the new centre opened at Sydney University, will be forced to close or to make users pay the full cost of care, which is around \$80 per week - an impossible burden for any but the wealthiest members of the community. In N.S.W. 128 submissions remain unfunded. Ironically, in the International Year of the Disabled, 18 of the rejected projects were submitted by groups involved with handicapped children. The extreme cruelty of the submissions model of funding becomes apparent when 500 groups throughout Australia spend precious time and resources to present submissions which are then rejected. One of the submissions regarding handicapped children had obtained donations from multinational companies and had the premises available for a pre-school - only to be told their submission for federal funds was unsuccessful.

The lobbying of the private child care centres means an even greater problem awaits children's services. About 50% of child care centres in N.S.W. are run as private businesses. The others are run by community groups who receive government funding. Many of the private centres operate with inadequate staff and poor quality of care for children. There is no parental representation in their management as there is in state subsidised centres. A recent report produced by the Federal Government as a result of an inquiry into children's services appears geared towards support for private centres, almost certainly laying the ground for a total government withdrawal from children's service provision. Following the recommendations of the Spender Report, Senator Chaney has recently proposed a common means test for all users of day care services. He also proposed a government subsidy be given to "disadvantaged" parents who use either private or state subsidised centres. (At present those who use government subsidised centres receive such a subsidy, but users of private centres do not.)

In government subsidised centres at present, users pay approximately \$40 per week per child. The means test proposal suggests that those "who can afford it" should pay the full cost of child care, which, according to the Office of Child Care is about \$80 per week. The government subsidy to low income earners will remain, but it is at present extremely unclear how the means test will be applied. It seems very likely that child care costs will rise dramatically for the great majority of childcare users who do not fit into the government's narrow "disadvantaged" category.

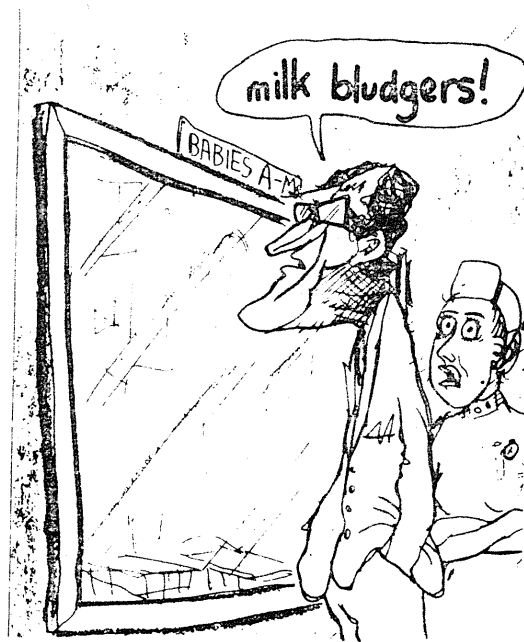
It is feared that only the very wealthy and the very poor will be able to use government subsidised community child care centres in the future. Most workers will be unable to afford the cost of care. By forcing up the prices for government subsidised centres, the Government will make it possible for commercial centres to charge higher rates than they do at present. Many people who would rather use government subsidised centres will be forced to use those in the private sector simply because of the exorbitant cost of the former. Many more people who presently use child care will no longer be able to afford it and will be forced to rely on informal arrangements or withdraw from the work force. Many government subsidised centres will be forced to close due to what appears to be a "lack of demand".

Besides applying a means test to those who use government subsidised centres, the Government is also proposing to subsidise "disadvantaged" users of private child care centres. At first glance this seems only fair, since "disadvantaged" users of government subsidised centres get special low rates. However, given the

government's refusal to fund any further child care project, the means test plan and the yearly dwindling child care provision, the move is extremely worrying and must be opposed as the thin end of the wedge of a total government withdrawal from responsibility for child care. Also, there is the question of whether the subsidy will be paid to users of the service, or to the centres. For administrative reasons it seems likely that the money will be paid to the centres. If this is the case, how will the government be able to ensure that the subsidy is passed on to those who need it? It is already very difficult to police the quality of care in private centres and many are understaffed and use very young, untrained carers.

The subsidy to low income earners in the private child care sector has caused some controversy within child care lobby groups. On the one hand it is realised that people forced to use private centres because no others are available ought to have the same benefits as those in government subsidised centres. It is also realised that cost of child care is already a major factor preventing people from using these services where they do exist. However, the question of subsidies cannot be divorced from the Government's overall withdrawal from child care responsibilities and the plans to introduce a means test on all users. As a package, the plans are clearly a ploy by the Government to turn child care over to the private sector completely. Since the days when Lynch introduced the Child Care Act in 1972, with a speech about child care being a government responsibility, the Liberals have done a complete about face. In 1972 Lynch admitted that much existing provision was substandard and costs were too high. In 1981, the Spender Report says child care is a family responsibility, recommends higher costs for services for the majority, and is happy to help the private sector develop healthy profits from the child care business.

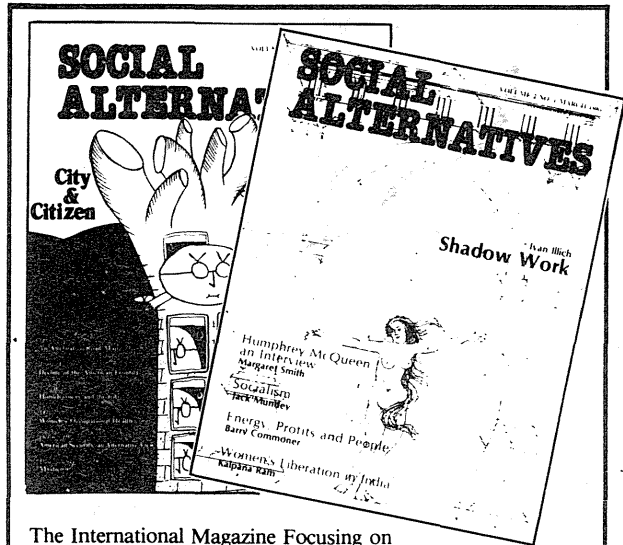
In most states, organised child care lobbies exist and are growing stronger. In N.S.W., Children's Service Action is one of a number of groups calling for the government to take up its responsibilities in this area. The growth in the movement over the last year has been extremely encouraging. Anger and activism are emerging in an area which has largely been ignored by the Left and even by the established Women's Movement. Unfortunately, if you haven't got children it's difficult to understand the problems. If you have small children, you are lucky if any political action is possible, especially during the pre-school years. Despite the immense problems, women are becoming increasingly active. Mass public meetings have been held in all the Australian capital cities, local members have been lobbied, letters have been written, bus-trips to Canberra have been organised and rallies are being held. A slow tide of action is growing which we think will inevitably continue given the increasing number of women entering the work force and the higher education institutions. Also, being able to limit the number of children you have means there's more energy and time for a fight over child care.



At present the Federal Government is planning to spend \$2430 million (today's figures) on 75 new F18 fighter planes. In 1981 it spent just \$80 million on all of Australia's children! In spite of the present government's attacks on child care, we believe it's a struggle which can't be reversed. Women everywhere are demanding more funds for children's services; and an end to the submissions model of funding. We demand instead planned services based on need, and a simplification and rationalisation of the funding system and the division of responsibility between the Commonwealth and the states. There also needs to be an adequate payment of all workers in the area. Under the present Government things look bleak. It's difficult, however, to turn back the clock for very long.

FOOTNOTES

1. Cox, E., Social Justice or Safety Net, Background and Issues Paper No. 1, Office of the Shadow Minister of Social Security, July 1981, p. 25.
2. Figures in this paragraph are derived from Scarce for Kids, N.S.W. Council of Social Service Computer Based Survey, 1980.
3. Ibid.
4. S.M.H., 26/9/81, p. 1.



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