Submission to the Parliamentary Inquiry into the Early Childhood Education and Care Sector in New South Wales

Parents Work Collective

30 May 2025

Summary

1 There are systemic issues affecting the childcare sector in New South Wales and indeed all of Australia. Quality care for our children cannot be guaranteed.

2 In particular, research shows that for-profit childcare centres consistently deliver poorer quality care than public and not-for-profit centres.

3 Australian state and federal governments must consider alternative care solutions, beyond just the rapid and continued expansion of for-profit childcare centres, in order to truly provide our children with the 'best start' in life.

4 We urge the Inquiry to recommend that alternative policy solutions ought to be considered by state and federal governments as part of the childcare sector framework, including as follows:

a. using Canada as an example, start to move away from a sector dominated by for-profit childcare providers and prioritise not-for-profit and public childcare centres;

b. prioritise funding for safe, high-quality pre-schools and daycares for 3-5 year old children;

c. financially support parents to care for their babies and toddlers aged 0-2, if they choose to do so;

d. expand paid parental leave for both mothers and fathers;

e. expand the Commonwealth childcare subsidy scheme to allow funding to be delivered directly to parents, allowing parents to choose whether they send their child to a commercial daycare centre, care for their child themselves, engage a nanny or use another alternative care arrangement;

f. invest in programs to help women transition back into the workforce once their children are 2 or 3; and

g. strengthen workplace flexibility to enable mothers and fathers to more equally share in the care and paid work.

Parents Work Collective

5 Parents Work Collective is a national, not-for-profit organisation that advocates for policy that recognises the reality of combining parenting and working and gives parents the choice to care for their own children in the earliest years of life.

6 There are three key issues that underpin the work of Parents Work Collective, all of which stem from care work – both paid and unpaid, and performed largely by women – being significantly undervalued in Australian society:

a. The system underpinning working and parenting is no longer fit for purpose. Combining working and caring responsibilities is difficult and unenjoyable. Parents are overworked and overwhelmed.

b. The increasing push to rely on external childcare means that very young children are separated from their primary caregivers for long periods of time at an early age. There is a substantial body of expert opinion that suggests this is not in the best interests of children.

c. Progress on achieving women's equality has stalled and is creating flow-on problems throughout Australian society.

7 We believe that:

a. better support for parents to care for their own children, particularly in the early years of their children's lives, will improve the wellbeing of children and families and ultimately benefit society and the economy at large;

b. improving early learning models starts with acknowledging the value of unseen and unpaid labour and recognising the critical role of parents in their children's lives; and

c. gender equality is best achieved through both parents equally engaging in caregiving roles rather than equally disengaging, which is what the current workforce participation model of gender equality encourages.

8 Although only recently established, Parents Work Collective has already amassed a following of thousands of like-minded parents. We believe these voices represent a significant proportion of Australian parents. These voices are not currently represented in the conversations about families' needs, childcare and women's equality.

Concerns about the ECEC sector

9 The recent ABC reports about concerns in the childcare sector provide a strong impetus to consider more sophisticated policy solutions for how we provide safe and quality care for our children. It is apparent that commercial childcare centres suffer from systemic quality issues.

10 The concerns highlighted by those reports demonstrate more than that there are some operators that are unscrupulous, or that the regulator needs to take tougher enforcement action (although both of those things are true). The concerns demonstrate that there is an inherent conflict between the needs of for-profit corporates (maximise profit and minimise cost) and the needs of children (high quality care).

11 In 2023, the Australian Competition & Consumer Commission's interim report into childcare found that not-for-profit childcare outperforms for-profit centres because staff are generally paid more and have better job security. The turnover of educators is lower in not-for-profit centres resulting in more stable, continuous care for children and stronger attachments to carers. Fees for families are more affordable, not-for-profits also accept more vulnerable, disabled, or high-needs children, and are more likely to service disadvantaged communities.

12 While 'quality' in the context of a childcare service is elusive – difficult to define and difficult to replicate – there are some clear quality indicators that emerge from the research including high ratios of carers to children, low staff turnover, and warm, sequential interactions with children throughout the day.

13 In relation to ratios, the regulations in Australia limit one caregiver to a maximum of four children under two years old, while the international recommendation is three children under two per caregiver, and many experts recommend just one or two babies per caregiver.

14 Oxford Professor of Education Ted Melhuish told Anne Manne, social philosopher and author of *Motherhood*, that 'for the first 18 months to two years of life, the cost of good-quality care is potentially very high, and is comparable in cost to paid parental leave for two years … To improve the responsiveness of group care requires maintaining very high staff-infant ratios and keeping staff turnover down to an absolute minimum: both are very expensive.'[1]

15 It is likely the case that creating the ideal childcare conditions may cost more than lengthy, well-supported, gender-equitable paid parental leave. Hungarian sociologist Julia Szalai calculated that,

[1] Anne Manne, *Motherhood*, p. 385.

largely due to higher infection rates in group care, the annual cost per child of parental leave was actually one third of the cost of running public daycare facilities[2].

16 Arguably, the inherent conflict between for-profit providers' needs and children's needs is impossible to resolve.

Alternative policy levers

17 It is time for a less blinkered conversation about the care options for our youngest and most vulnerable citizens. Commercial childcare centres are one part of the care framework and will remain a significant part of the framework. However, there are limits to what the current childcare framework can achieve for society going forward. For-profit dominance and quality issues cannot be ignored any longer and we cannot continue to roll out more and more low-quality centres for our children.

18 Parents Work Collective would like to see more creativity and nuance around our childcare framework to ensure that Australian children are truly given 'the best start' in life.

19 We urge the Inquiry to recommend to state and federal governments adopt the following alternative policy solutions:

a. Taking Canada as an example, start to move away from a sector dominated by for-profit childcare providers and prioritise not-for-profit and public childcare centres;

b. Prioritise funding for safe, high-quality pre-schools and daycares for 3-5 year old children;

c. Financially support parents to care for their babies and toddlers aged 0-2, if they choose to do so;

d. Expand paid parental leave for both mothers and fathers;

e. Expand the Commonwealth childcare subsidy scheme to allow funding to be delivered directly to parents, allowing parents to choose whether they send their child to a commercial daycare centre, care for their child themselves, or engage a nanny or use another alternative arrangement

f. Invest in programs to help women transition back into the workforce once their children are 2 or 3; and

g. Strengthen workplace flexibility to enable mothers and fathers to more equally share in the care and paid work.

20 This kind of prioritising of funds would leave space for governments to ensure high-quality care is being delivered to our children, would encourage gender equity, and would support women to participate in the paid workforce.

Conclusion

21 Providing high quality care for children is achievable. However, State and Federal governments need to look outside the very narrow policy option of continual expansion of for-profit childcare in order to realise this goal.

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Parents Work Collective

[2] Ibid, p.178.