

The bottom line on good child care

By Anne Summers

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The peace dividend of the 1990s put money or benefits into people's pockets, but John Howard's proposed human dividend seems designed just to make us feel good. The so-called "peace dividend" was a collateral benefit of the end of the Cold War that supposedly diverted money from defence spending into health, welfare and other tangible social benefits. Howard's catchphrase seems more designed to put a bow on the benefits that have flowed from the economic reforms of his 11 years of government.

The Prime Minister is effectively looking back, telling us that full employment and a growing economy have delivered an Australia Felix in which we should bask contentedly, enjoying our "immense human dividend". If you don't have a job, or fear losing the one you have, this might seem a bit cavalier, even cruel, but maybe voters will buy the line.

Instead of looking back, we should be looking at the extent to which any dividend is reinvested. On this count, our national investment strategy seems to be faltering, especially when it comes to addressing the care and education needs of the nation's children. So it would be a shame if the blueprint on early childhood of the Victorian Premier, Steve Bracks, is not put on the national agenda when it is discussed at tomorrow's premiers' conference in Canberra.

Bracks's blueprint proposes a Commonwealth-state plan to significantly increase and improve child care (availability and costs) and preschool education, as well as measures to address other childhood issues such as autism and obesity. Bracks said this week that he was putting forward his plan because, although Howard had promised to give priority to child care reform at the July premiers' conference, "so far he hasn't delivered".

It is widely recognised (although not acknowledged by senior federal ministers) that there is a crisis in child care. The system is a mishmash of community and private places, of vastly varying quality, some functioning mostly as drop-off centres for working parents, others providing at least some preschool education, but all of them expensive and, very often, virtually impossible to access due to shortages in supply.

The Taskforce on the Cost of Care, a group comprising business and non-government organisations that lobbies the Federal Government for increased financial aid for all forms of care, reports that child-care costs have increased as much as 67 per cent over the past five years - a much steeper rise than wages.

These costs deter people from working; as many as 80,000 Australians, mostly women, are unable to work because of child-care problems, the Victorian Government says.

It would seem to be a no-brainer that a Federal Government intent on maintaining economic growth, and being pressured by business to increase the workforce participation rate, would address these problems. But things are further complicated by the fact that while the Commonwealth regulates child care (and funds the child-care rebate), the states are responsible for preschool education and, increasingly, the debate about child care is becoming not only about cost and availability but also about the need for early childhood education. This is the direction in which many countries in the Organisation for Economic Co-operation and Development are going. The British Government provides every three- and four-year-old with 12.5 hours of preschool education. In Australia, we are only just putting the subject on the table.

But it would seem to be the way to go, given the compelling case for the long-term benefits of preschool education. There are no Australian studies on this but overseas research indicates a healthy return on capital invested, according to *Quality Time*, a study on "regulating for quality in early childhood education and care in Victoria", prepared by the Allen Consulting Group for the Victorian Government - and part of the basis for the Bracks blueprint. According to one American study cited, there is a \$US7.16 (\$8.70) public benefit return derived from every dollar invested in early education. The Allen report notes that this benefit is especially noticeable in children from disadvantaged backgrounds.

The Bracks plan proposes integrating child care and early education by including kindergarten programs in child-care centres. For this to happen nationally will require a lot of money and even greater federal-state co-operation, a difficult task given that in Australia 27 ministers have direct responsibility for child care or education, according to a count by Professor Peter McDonald from the Australian National University's demography unit. McDonald argues that child care needs to be reformed if we want to address birthrate issues. His research shows one in five Australian women will not have children, a figure unmatched since the Depression, while the numbers disregarding Peter Costello's plea for three and having just the one, has increased since 1999.

Tomorrow Howard needs to calculate whether to sign on to the Bracks plan or to unveil his own initiative in the May budget or at election time. If he opts for the latter, he gives a great opening to Labor's Kevin Rudd, who can claim that only he can work with the Labor states. If Howard backs the Bracks blueprint, that's a win for Victoria (at a time when Howard and Bracks are fighting over water). Either way, it's about the future of our children - and that, surely, can be seen as creating a human dividend.

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