'Boosting Equity and Safety for Australia's Children'
Text of Speech to The Equity CoLab 'Fair by Design' Summit, Noosa (https://equitycolab.org/2025-summit/)
by Emeritus Professor Andrew Scott, Deakin University
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[Slides used during delivery of speech appear at the end]

Australia can learn from, adapt and apply Nordic countries' proven successful policies, which deliver universal, high-quality, early childhood education and care – as well as comprehensive paid parental leave – to make our economy more productive, and our society fairer.

The proportion of women in full-time employment in Australia is less than sixty eight per cent, compared with seventy five per cent in Norway, more than seventy six per cent in Denmark, more than seventy seven per cent in Iceland, more than eighty two per cent in Finland and nearly eighty eight per cent in Sweden.[1]

One reason for Australia's difference from the five Nordic nations is that nearly forty three per cent of women with children under the age of fifteen are prevented from working the hours they want to here because childcare is <u>not</u> available or is too expensive.[2]

Nordic governments provide affordable, well-resourced public early childhood education and care as an entitlement: a planned provision which reduces pressures on parents at stressful times in their lives, and facilitates their sustained return to paid work.

Another reason is that Sweden kept <u>extending</u> its paid parental leave up to sixteen months, as part of which the minimum paid <u>paternity</u>

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[1] Incidence of full-time and part-time employment based on OECD-harmonised definition for 2024, at OECD Data Explorer.
[2] Australian Bureau of Statistics, 'Barriers and Incentives to Labour Force Participation, Australia', 2023-24 financial year, Released 6 November 2024.

leave requirement rose from one to two then three months to keep progress going.

Now Iceland and Finland have extended their paid parental leave: Finland to fourteen months, of which seven months should be taken by fathers, some of which can be transferred to mothers, but no more than half, while Norway provides similar paid parental leave and Denmark, though less comprehensive, still gives much more than Australia.

The current Australian government in its first term positively began to extend paid parental leave, which – in a <u>happy</u> milestone on day one of this financial year – rose to twenty-four weeks; and on the same day next year it will reach twenty-six weeks or six months, while the number of weeks reserved for each parent on a use it or lose it basis has increased from two weeks since the government was first elected and will reach one month next year.[3]

Six months paid parental leave will mean we start to catch up to what has long been prevalent in many parts of the world – but after we <u>finally</u> get there on 1st July next year we need to extend paid parental leave further, and increase the rate at which it is paid, if we want many <u>more</u> mothers to return to the paid workforce.

Having more women participate in paid employment, towards the high extent of the Nordic countries, will improve gender equality, generate much more revenue for the government and reduce child poverty.

A universal approach to early childhood education and care will add to, and be reinforced by, the existing <u>universalism</u> we already have in some areas – most notably Medicare.

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[3] Australian Government, Paid Parental Leave, 1 July 2025 at https://www.servicesaustralia.gov.au/changes-if-you-get-family-payments?context=64479

In the Nordic nations, with their universal approach, it is the poorer areas which have the most access, whereas in Australia's market-dominated approach it is the richer areas which have the most access.[4]

When services are limited to only the most vulnerable people, measured at any particular time, that creates uncertainty about eligibility, the cost of imposing selective rules to exclude many people outweighs savings, and the system is too complicated.

With universalism a broad middle class has a stake in what's provided, and the knowledge that it's provided for them secures their support of provision for all who need it.

Universal social support systems financed by general revenue are more redistributive than predominantly private provision combined with narrowly targeted public income support.[5]

Children of the wealthy are not spared the health and educational challenges of the first five years of life, so neither should they be denied support to meet those challenges.

This green Medicare card we all have is a clear, popular expression of what universalism looks like – and early childhood education and care should be the next universal service in Australia.

Some essential services are rightfully provided affordably to the community from general revenue, raised in a progressive way – rather than provided on an individual user pays basis – to ensure an adequate overall standard of wellbeing.

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[4] Peter Hurley, Melissa Tham and Ha Nguyen, *International Childcare: Mapping the Deserts*, Mitchell Institute, Victoria University, Melbourne, 2024, p. 33.
[5] William Adema and Peter Whiteford, 'Public and Private Social Welfare', in Daniel Béland, Kimberly J. Morgan, Herbert Obinger and Christopher Pierson, *The Oxford Handbook of the Welfare State*, Oxford University Press, Oxford, second edition 2021, p. 154.

This is because we are citizens in a society which takes responsibility to meet the basic needs of all of its members; we are not merely atomised customers competing against one another in a market economy.

The national government is moving a little way towards universal provision with its one billion-dollar 'Building Early Education Fund' to help irrigate a very small proportion of the "childcare deserts" in which one quarter of Australia's population now lives.[6]

Those are mostly in regional and remote areas, and outer suburbs of the big cities.[7]

But in order for the prime minister to realise his rhetoric that "early education isn't about making money…it's about changing lives", for Government to "step up and act" "when the market fails"[8], and to leave the legacy of quality, affordable, universal childcare to which he has committed, much more needs to be invested.

In the current system, commercial childcare operators are simply increasing prices which cancels out the increases in the public subsidies paid to parents.[9]

Nordic countries have low fees with caps on the maximum amount parents pay, while local councils are responsible for ensuring that all children whose families want childcare do gain a place.

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[6] Peter Hurley, Melinda Hildebrandt and Melissa Tham, 'Labor guarantees 3 days of childcare and 160 new centres: What does this mean for families?', *The Conversation*, 11 December, 2024.

[7] Hurley, Tham and Nguyen, *International Childcare: Mapping the Deserts*, pp. 28-29.

[8] Laura Tingle, 'Prime Minister pledges low-cost childcare ahead of next election', ABC TV 7.30, 11 December, 2024.

[9] Angela Jackson, *Time to Stop Throwing Good Money After Bad: Delivering Universal Childcare Through Market Reform*, A report prepared for the Minderoo Foundation, Impact Economics and Policy, Melbourne, November 2024.

Early childhood education and care in Australia is now the most privatised in the developed world for three and four year olds, and the second most expensive for parents.[10]

In last year's Productivity Commission report on childcare, Professor Deborah Brennan made a call "to expand not for profit provision" and to pay critical attention to the financial strategies of large investor backed private companies.[11]

We have long known that in Australia a significant minority (currently just under thirty seven per cent[12]) of school students, i.e. those aged from about five or six years to about eighteen years, go to 'private' schools, which charge fees – but a crucial point is that, while those schools are 'private', they are not run for profit.

Yet the proportion of babies, and one, two, three, four and five olds in Australia in long day care centres which are not just private, but which are run For Profit, is now nearly double that – at seventy three per cent[13]; with almost all the growth in childcare for more than a decade having been in For Profit providers[14].

In the tidal wave of neoliberal economics which has swamped so much in the last four decades, it's our youngest citizens who are being abandoned most to the mercy of market forces.

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[10] OECD, *Reducing Inequalities by Investing in Early Childhood Education and Care*, OECD Publishing, Paris, 2025, p. 218, Panel B.

[11] 'Supplementary statement by Professor Brennan' in Productivity Commission, *A Path to Universal Early Childhood Education and Care*, Inquiry report no. 106, Vol. 2, Supporting Papers, Productivity Commission, Canberra, 2024, p. 336.

[12] Computed from Australian Bureau of Statistics, 'Schools: Data on government and non-government students', Reference period 2024, Released 17 February, 2025.

[13] 'Supplementary statement by Professor Brennan', Productivity Commission 2024 report, p. 336.

[14] Australian Children's Education and Care Quality Authority latest data at https://snapshots.acecqa.gov.au/Snapshot/stateofthesector.html, SS3.

Government funds schools directly yet it funds early childhood education and care indirectly: which means it does not control the quality, location or price of services.

And we've all seen and heard this year the horrors of what happens to children in Australia's profit-dominated childcare system.

In March we were informed that at least one case a day of sexual misconduct is reported in childcare centres.[15]

The biggest for-profit operator is the G8 corporation.

The only one of Australia's ten largest childcare operators not run for profit is Goodstart; which was created fifteen years ago after the previous largest for-profit provider, ABC Learning, collapsed, owing more than one billion dollars.

The national government spent money then to help moves by that new, community-oriented consortium, Goodstart, to take over the centres the failed former profiteer had operated.

But the more fundamental lessons from that episode about market forces being inappropriate to dominate the realm of early childhood education and care were not learned.

Key personnel from the failed profiteer soon returned to run childcare centres: including the chief financial officer of ABC Learning at the time that it crashed, who now sits on the board of G8.

Not-for-profit services, involving parents, in local communities, have been pushed out by large conglomerates aiming for commercial gain.

[15] Adele Ferguson, 'Betrayal of Trust: Australia's Childcare Crisis', ABC TV Four Corners, 17 March 2025.

Yet thirty four per cent of not-for-profit childcare providers exceed the required national quality standard – whereas only thirteen per cent of services run for profit do.[16]

In March we also learned that dozens of G8 centres have been plagued with basic safety and hygiene failures, putting children at unacceptable risk.[17]

The second largest for-profit childcare operator, the Affinity corporation, controls more than 250 centres across Australia[18] and in June we were informed that it obstructed an investigation into the circumstances of a baby being slapped across the face repeatedly in one of its centres.[19]

Some for-profit operators spend as little as thirty-three cents per meal for each child – barely enough for proper nutrition – serving up things like pasta with ketchup, white bread with jam, and instant noodles, at a time when nutritious food is vital for kids because ninety per cent of brain development happens in the first five years of life.[20]

Both the biggest profit-driven providers though can find money to offer inducements for publication of reviews which pretend all is well in their centres.[21]

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[16] Productivity Commission, *A Path to Universal Early Childhood Education and Care*, Inquiry report no. 106, Vol. 1, Productivity Commission, Canberra, 2024, p. 14.
[17] Adele Ferguson and Chris Gillett, 'Documents expose safety breaches at G8 Education childcare centres', ABC online, 27 March 2025.
[18] Adele Ferguson and Chris Gillett, 'Documents expose disturbing incidents inside NSW childcare centres', ABC online, 7 April 2025.
[19] Ben Butler, 'Victorian childcare regulator "monitoring" provider at centre of NSW allegations', 11 June, 2025.
[20] Ferguson, 'Betrayal of Trust', ABC TV 4 Corners.
[21] Carla Jaeger and Sherryn Groch, 'Childcare giant pressured staff on enrolments as kids left alone', *The Sunday Age*, 28 September, 2025.

The radical marketisation of childcare in Australia has attracted real estate developers greedy to gain a flow of rental income guaranteed by government funding.

In April and May we also learned of widespread cases, in for-profit childcare operators, of children suffering burnt hands, bone fractures, being forcibly dragged, pulled, kicked, force-fed – and in one case used as a human mop.[22]

The national government is wastefully spraying more than fifteen billion dollars of public money a year into this brutal, profit dominated system.

The evidence requires government to take a more prudent approach: to change the balance of childcare, to boost public and other not for profit centres, to increase the quality of services, and therefore the safety of children.

On 1st July, in a tragic milestone on day one of the financial year, came the sickening revelation that a man who had worked in the two biggest for-profit childcare companies had been charged with seventy serious sexual offences against children in one of those company's centres.

This led to a scurry to bring in new legal powers for the national government to maybe reactively cut funding in the future to centres – but only after they are proven to commit extreme new breaches of children's safety.

It has also led to steps towards strengthening the pathetically weak 'regulation' of providers, to ensure only fit and proper people care for our children.

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[22] Ferguson and Gillett, 'Documents expose disturbing incidents inside NSW childcare centres'; Adele Ferguson and Chris Gillett, 'Shocking rate of serious incidents at childcare centres exposed', ABC online, 15 May, 2025.

Yet neither these, nor much higher financial penalties planned for future, further breaches, explicitly reduce the risk which excessive focus on profit inevitably creates for children's safety.

As long-time children's educator and carer Lisa Bryant has said: "keeping children safe is really expensive" but "profits depend on keeping things very…cheap…The things that…keep children safe…[are] having a lot of…really experienced…and…highly qualified staff".[23]

Given that not-for-profit providers have more consistent staffing, maintain proper adult-to-child ratios, and reinvest surplus funds back into their services;

Whereas for-profit providers spend much less on staffing; have a higher proportion of casual staff; employ less experienced early educators; and keep being given exemptions so they can operate centres without the required number of qualified staff;[24]

Given that an official report into a previous, similarly distressing large-scale abuse case had already stated that it is because "the workforce is …highly casualised…[that] it [is] difficult to attract and retain qualified staff…to meet minimum…requirements [and] to do robust referee checks";[25]

Then these bad workforce practices are risk factors for child safety;

And, in turn, excessive dominance of childcare by profiteers in Australia itself now constitutes a risk factor for abuse of children.

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[23] Stephanie Zillman and Xanthe Kleinig, 'Ada was rushed to hospital after a mistake at her childcare centre, highlighting failings in the for-profit industry', ABC TV 7.30, 5 March 2024.
[24] Gabrielle Meagher and Marianne Fenech, 'Amid claims of abuse, neglect and poor standards, what is going wrong with childcare in Australia?', *The Conversation*, 18 March, 2025.
[25] Queensland Child Death Review Board, 'Review of System Responses to Child Sexual Abuse, Progress Report 2 – June 2025' p. 3.

Victoria's rapid review since the 1st July revelations, led by former South Australian premier Jay Weatherill and senior public servant Pam White, says the national government must now plan for public and other not-for-profit providers to step in to prevent sudden, disruptive closures of centres from whom funding is stripped because of safety concerns.[26]

Such disruptions are therefore clearly now being foreseen.

In managing them we must ensure: a well-qualified workforce goes <u>into</u> the failing centres, to improve their quality; that we <u>build</u> on Goodstart – and that this time we <u>never again</u> allow <u>reckless</u> profiteers to return.

The alleged offender named on 1st July 2025 worked at an estimated twenty three <u>for profit</u> childcare centres over eight years – mostly owned by G8 and Affinity.[27]

A defining feature of my generation's era has been the revelations of how many <u>adolescents</u> were abused for decades from the 1960s by pedophiles who worked as trusted authority figures in institutions like schools, churches, youth 'training' centres, scouting and sports organisations, which gave those pedophiles the perfect cover to prey.

Yet after all the changes made to prevent recurrence of <u>that</u> pattern of offending by pedophiles, new dangers have risen in the <u>underregulated spaces</u> dominated by profiteering companies which <u>very young children</u> now inhabit.

Many of these companies are hiding behind complex business

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[26] Jay Weatherill and Pam White, *Rapid Child Safety Review*, Victorian Department of Premier and Cabinet, Melbourne, 15 August, 2025, pp. 26-27.
[27] Samantha Jonscher and Matilda Marozzi, 'Childcare group reviews staff movements after Joshua Brown worked at 23 centres in 8 years', ABC news online, 16 July 2025.

arrangements so they can re-emerge with new identities after committing offences[28]; the two biggest misled police after the offences publicised on 1st July[29]; senior police now warn parents <u>not</u> to tell directors of profiteering child care centres about worries that their children have been harmed because the centre directors will cover it up to protect the business[30]; while in August we learned that G8 is <u>the</u> most sanctioned childcare provider in the state of Victoria.[31]

Pedophiles are a very small proportion of all people but they will always persist in finding ways to prey upon children – so our responsibility is to <u>prevent</u> them; and, if we <u>don't</u>, then <u>we</u>'ll <u>all</u> be complicit in creating <u>another</u> generation of abuse victims.

To avoid being complicit, those of us who have superannuation should now check and make changes, so that none of our personal accounts gain proceeds from, or help prop up, dangerous practices of big, excessively profiteering childcare companies like G8 and Affiinity.

Some educators and carers who worked for those big for profit companies have left, exhausted and heartbroken, to become courageous whistleblowers and help us gain glimpses into this tragedy.

We need to support <u>them</u> – and the overwhelming majority of early childhood educators and carers who are such good, committed people – by doing everything we can to get super funds to disinvest our money from such companies on ethical grounds.

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[28] Weatherill and White, *Rapid Child Safety Review*, pp. 53-54.
[29] Sherryn Groch, Caroline Schelle and Carla Jaeger, 'How childcare providers led police on a wild goose chase for an alleged pedophile', *The Age*, 19 July, 2025.
[30] Jason Om, 'Childcare sector bosses grilled over child safety breaches', ABC TV 7.30, 24 September, 2025.
[31] Carla Jaeger, 'Victoria's largest childcare chain repeatedly failed to protect children', *The Age,* 13 August, 2025.

The federal Treasurer is concerned about how costly universal childcare will be in terms of short-term government spending.[32]

In calculating that he needs to factor in the extent to which higher female workforce participation will fund it – and also measure the cost over an appropriately long time frame, to reflect how much money preventative investment saves over the medium and long term.

He can, for example, use the equation formulated by the Nobel prize-winning economist Professor James Heckman, which shows how every dollar invested in quality early childhood education and care returns between seven and twelve dollars back to society, in present value terms.[33]

This is the one area of government expenditure where, if you spend the money effectively, you are guaranteed to get more money back, because of the improved educational attainment, better health, higher earnings, and reduced crime, that investment yields.

The Albanese Government late last year was considering a fundamental reworking of the way childcare is funded, to move from demand-side subsidies to parents, to direct supply-side payments to childcare providers, aiming for parents to pay the same fee at whichever childcare centre they use.[34]

Capping fees in that way will increase affordability for parents and help deter excessive profit-seekers.

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[32] Transcript of press conference with Treasurer Jim Chalmers, Canberra, 6 August 2025.
[33] James J. Heckman, Seong Hyeok Moon, Rodrigo Pinto, Peter A. Savelyev and Adam Yavitz, 'The rate of return to the HighScope Perry Preschool Program', *Journal of Public Economics*, Vol. 94, 2010, pp. 114–128. See also https://heckmanequation.org
[34] Tingle, 'Prime Minister pledges low-cost childcare ahead of next election', ABC TV 7.30.

All providers can directly receive a base level of funding, provided they meet stricter quality and safety rules: with extra funds <u>only</u> to go to providers which operate in places of need.

But the government then hesitated about that idea in the face of its initial cost and complexity, and subsequent policy announcements have been more ‘aspirational’ in nature, with vague rhetoric about the government now being on a <u>slow</u> path to universal childcare.

That hesitation was unfortunate and – given the magnitude of the crisis which has been revealed since 1st July – the switch in the funding system <u>must</u> now be made:

Because childcare in Australia is <u>not</u> on a slow path to becoming universal: it has been knocked off that by an out-of-control express train of excessively <u>profit-driven</u> companies misusing public moneys – and childcare will <u>never</u> become universal in Australia until that dangerous express train is brought under control.

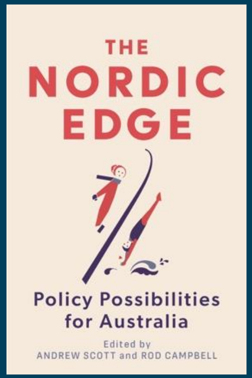
What is needed to make early childhood education and care <u>safe</u> is the same thing that is needed to make it <u>universal</u>: and that is to increase public, and other <u>not</u>-for-profit, provision.

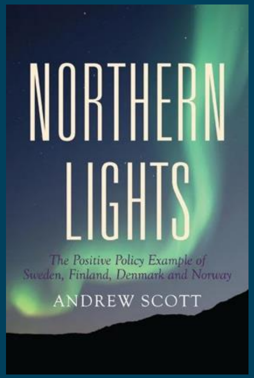
The national Education Minister, Jason Clare, must set a timeline to steadily rebalance the childcare sector, and consult a broader range of policy experts about <u>how</u> to do this, so public and <u>not</u>-for-profit providers do gain an adequate presence, and so that we <u>can</u> now actually get on to a safe pathway to universal childcare in Australia.

The Nordic Edge: Boosting Equity and Safety for Australia’s Children

Professor Andrew Scott

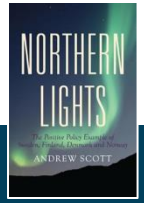
Lead Editor of The Nordic Edge and Author of Northern Lights





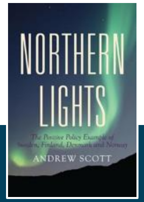
The proportion of **women** in **full-time employment in Australia** is less than **sixty-eight per cent.**

Source: OECD



Main **childcare reasons** mothers were unavailable to start a job

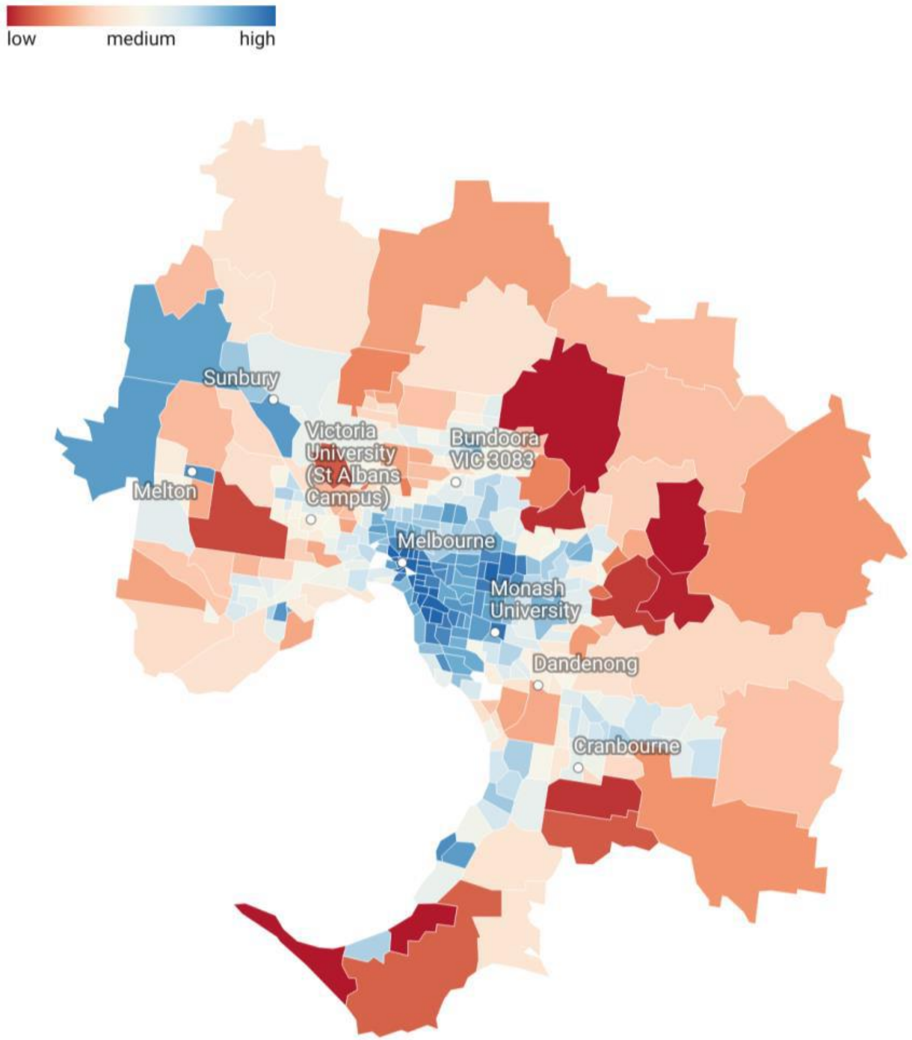
Mothers refers to women with children aged under 15 years
Source: Australian Bureau of Statistics



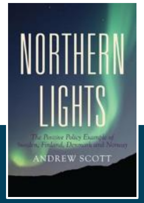
“Childcare deserts”

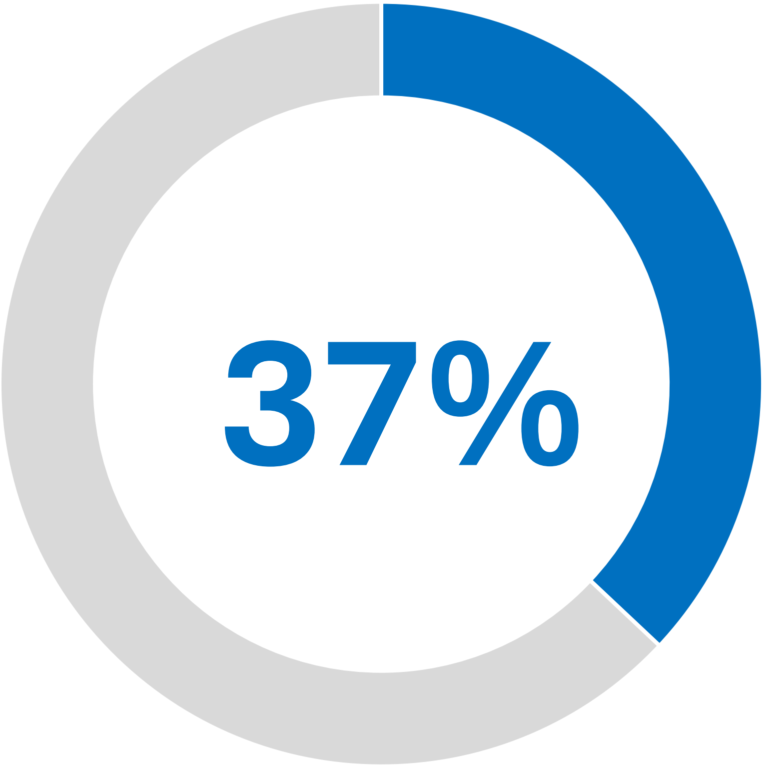
One quarter of Australia’s population now **lives in “childcare deserts”.**

Those are mostly in **regional** and **remote areas**, and **outer suburbs** of the big cities.



Childcare accessibility in Melbourne, Australia Mitchell Institute

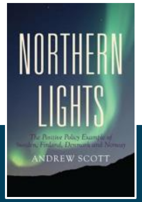


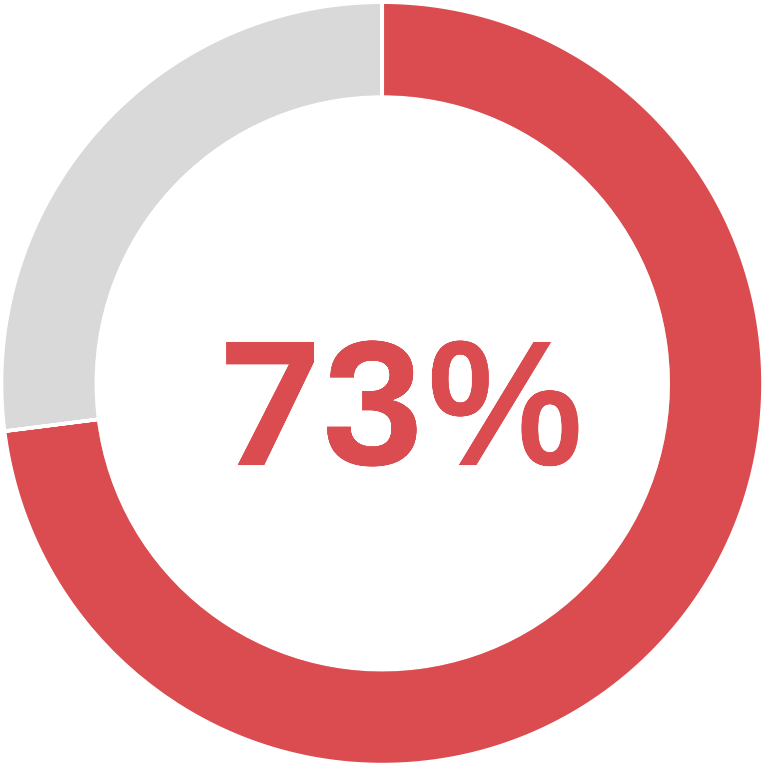


of school students go **to private schools**

(those aged from 5 or 6 to 18 years)

Source: Australian Bureau of Statistics

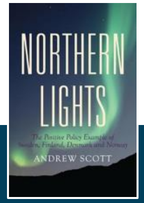




of children in **long day care** are in **private centres run for profit**

(babies, and 1 to 5 years old)

‘Supplementary statement by Professor Brennan’, Productivity Commission 2024 report, Vol. 2, p. 336

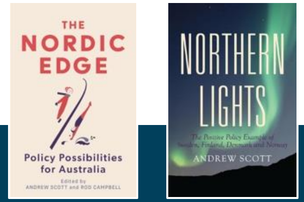


The biggest **for-profit** operator is **G8 corporation.**

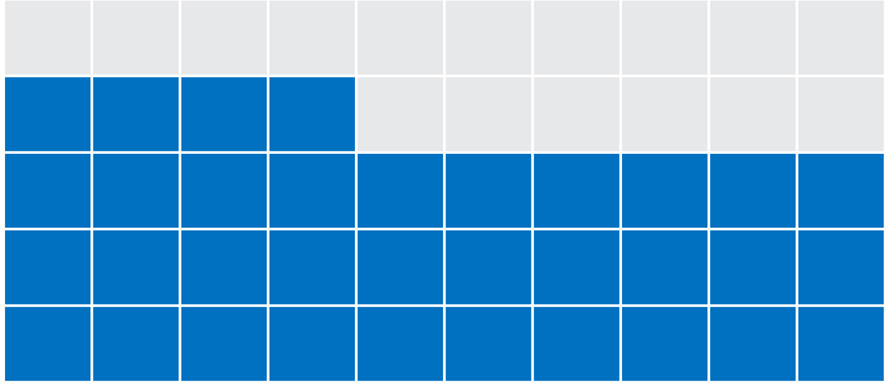
G8 Education ltd

The only **one of Australia's ten** largest childcare operators **not** run for profit is **Goodstart.**

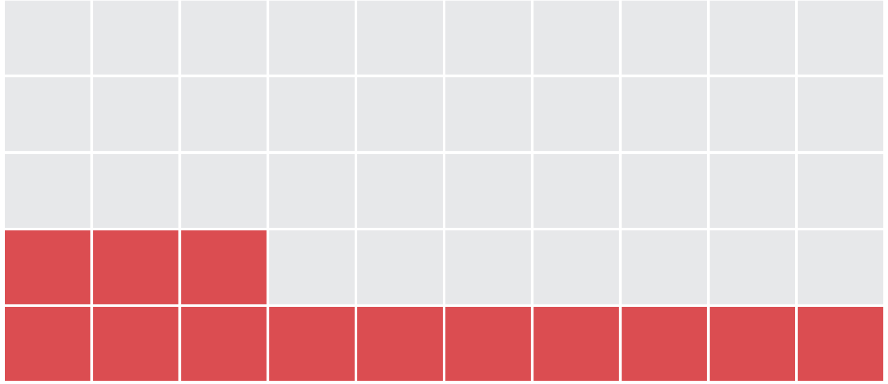
goodstart early learning



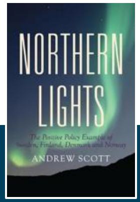
34% of **not-for-profit** childcare providers **exceed the required national quality standard**



13% of **for profit** childcare providers **exceed the required national quality standard**

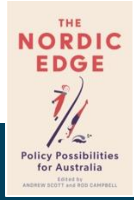


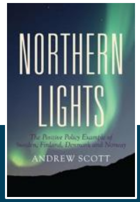
Productivity Commission 2024 report, Vol. 1, p. 14



The second largest **for-profit** operator is **Affinity Education.**

Affinity Education

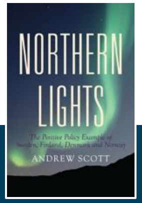




keeping children safe **is really expensive**” but “**profits depend** on keeping things **very…cheap**…The things that…keep children safe…[are] having a lot of…really **experienced…and…highly qualified staff**”.

- Lisa Bryant

ABC TV 7.30, 5 March 2024



Final thoughts

The national Education Minister, Jason Clare, must set a timeline to **steadily rebalance the childcare sector**, and **consult a broader range of policy experts** about how to do this, so public and not-for-profit providers do gain an adequate presence, and so that we can now actually **get onto a safe pathway to universal childcare** in Australia.

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