experience multiple forms of care, especially as they get older, with around a third of those in some form of care using multiple forms, mostly a combination of formal and informal care (Qu and Wise 2004, p 2).

Only a small proportion of children are in care for very extended periods. The median hours in care for children 0-12 years old was 10 hours per week in 2005. Only 13 per cent of children were in care for more than 35 hours a week.

The availability of accessible, affordable, quality care has lagged behind rising demand in recent years, making childcare problematic for many parents. Analysis of HILDA survey data for 2002 shows that 29 per cent of parents with children under school age who had used or thought about using childcare had difficulties with childcare for a sick child, 27 per cent had difficulties in relation to the cost of care, and around a fifth had problems with getting their centre of choice, finding the hours they needed, finding the right person to care, getting quality care or finding a centre in the right location (Cassells et al 2005, p 7). In June 2005, parents needed additional formal care for 188,400 children (or 6 per cent) of children aged 0-12 years (ABS Cat No 4402.0, p 8). This is up from 174,500 in 2002.

Quality Childcare and the Role of Governments (Commonwealth, State, Local)

The Productivity Commission estimated that in 2003/04, total government expenditure on children's services was $2.4 billion, three-quarters from the Commonwealth whose contribution to the costs of childcare have risen very significantly in recent years (Press 2006, p 27). However, compared to other OECD countries, Australia spends relatively little on early childhood services (OECD 2002, p 59). In the 2004 election, the Commonwealth Government announced a 30 per cent Child Care Tax Rebate (CCTR) with a cap of $4000. It can be claimed from 2005/06 tax returns. Unfortunately, the rebate is highly regressive, delivering larger benefits to higher-income earners.

A key aspect of childcare is its quality. Arrangements relating to quality in Australia are complex. The quality of care in Australia is managed through a National Childcare Accreditation Council which adopts a five-step process of initial registration through to accreditation. State governments also play an important role in licensing centres and setting and monitoring key indicators like staff/child ratios (which in themselves vary from State to State). Long day care centres are assessed against ten quality areas (including relationships with children, respect for children, partnerships with families, staff interactions, planning and evaluation, learning and development, protective care, health, safety and managing to support quality) and 35 principles (OECD 2002, p 110).

A key element of quality childcare is the ratio of staff to children. In a recent review, Press finds that more often than not, across Australia 'regulations and existing national standards fail to reflect the staff to child rations recommended by professional organisations as necessary for good quality centre-based care and education' (2006, p 37).

In 2003/04, the National Accreditation Council received 400 phone complaints and 50 written complaints in relation to centres (ABC 2004b) and the chairperson of the Council reported that nearly 5 per cent of operating centres do not pass accreditation inspections. Once every two-and-a-half years, centres are accredited by means of a self-assessment process, followed by one on-site inspection for which extensive notice is given. If a centre fails accreditation, it has 12 months to meet requirements, before parents are notified. This means that a childcare centre could have serious problems for three years 'before the watchdog alerts parents' (ABC 2004b).

The absence of random inspections, lenient inspections and operator collection of validation surveys from staff and parents have been highlighted as significant problems with accreditation.

By 2002, only a small number of centres had been disqualified from accreditation. Rush reports that in New South Wales in 2005, the Department of Community Services 'found that 67 centres in Sydney breached their licence conditions but only one was successfully prosecuted' (Rush 2006a, p 9; Pryor 2006). As the OECD notes, the test for the Australian accreditation system lies in 'whether the standards can actually be properly enforced while there remains a waiting list for childcare places' and parents are 'desperate to get a place' (OECD 2002, p 110; Elliott interviewed for *Background Briefing*, ABC 2004b). Excess demand places a powerful downward pressure on care standards.

Affordability

The cost of childcare accounts for a growing proportion of household incomes, as paid formal care substitutes for informal extended family and parental care. It also amounts to a significant government budget item, especially at the Commonwealth level. It is estimated that outlays on the Child Care Benefit will exceed $1.6 billion in 2005-6, while the Child Care Tax Rebate will cost around $915 million in its first four years of operation from 2005 (McIntosh 2005, p 1). State governments also make contributions to centres and services, especially to preschools. Nonetheless, Australia remains at the lower end of the OECD in terms of its overall expenditure on early childhood education and care. In 1998, Australia spent 0.3 per cent of GDP on pre-primary education, compared to 0.86 per cent in Denmark, 0.42 in Britain, and 0.36 in the US. Out of 27 OECD countries, only Turkey and Ireland spent less (OECD 2001, p 189).

Since July 2000, the Child Care Benefit (CCB) has been payable to offset the costs of care on a sliding scale relative to income. Families with a taxable income of $30,000 in 2005 receive a weekly Child Care Benefit of $144, and they will also be able to claim a Child Tax Rebate of $16.80 a week, taking their total subsidy to $160.80 with 80 per cent of their childcare costs covered (if they have one child in long day care and the total fees are $200 a week, which is a low estimate (McIntosh 2005, p 2)). FaCS estimate that the average weekly fee in private long day care centres was $208 in 2004, up by 13 per cent from $184 in 2002. It is now much higher in many places and has risen much faster than the general consumer price index.

Despite high levels of public subsidy, and very low wages, the cost of childcare has been rising rapidly in Australia. In 2002, 27 per cent of those who had used or thought about using childcare reported difficulties with its cost (Cassells et al 2005, p 14). Between 1990 and 2004 the cost of childcare rose by double the rate of inflation. While the real cost fell after the introduction of the Child Care Benefit in July 2000, steep subsequent rises have wiped out its effect, and in the 12 months to September 2004, the cost of childcare rose by over 10 per cent (Cassells et al 2005, p 14). Affordability of care has declined rapidly, generating lively debate about the tax treatment of childcare.

Demand Outstrips Supply

Long day care is the most common type of formal childcare in Australia. This care is centre-based, mostly for children under five, and is provided on a full-time or part-time basis. Alongside private companies, long day care centres are also run by community organisations (which until recently were the dominant providers) and other not-for-profit bodies and some employers.

At present, long day care accounts for around half of all formal childcare places for children under 12 years old in Australia, and most formal care for children under five (Table 2). It has been growing rapidly, especially in the form of private provision.

Table 2. Children in formal childcare by service type, 2004

	No of Children	Per cent of all formal care
Private long day care	269,330	36
Community long day care	113,690	15
(All long day care)	*(383,020)*	*(51)*
Family day care	89,300	12
In home care	3,240	<1
Outside school hours care	160,800	21
Vacation care	101,710	14
Other service types	14,700	1
TOTAL	752,750	100

Source: FaCS (2005a), *2004 Census of Child Care Services Summary Booklet*, p 13. Weighted data including estimates for non-responding services.

The demand for formal childcare runs well ahead of supply, with estimates of unmet demand in recent years ranging from 131,700 in 2002 (ABS Cat No 4402.0, 2002) to 188,400 in 2005 (ABS Cat No 4402.0, 2005, p 8). The ABS estimate a 2005 national shortfall of 64,400 places in before and after school, 52,900 in long day care and 40,800 in occasional care (ABS Cat No 4402.0, 2005, p 31).

The Commonwealth Government has increased the number of some kinds of childcare places in recent years by providing, for example, 40,000 new outside-school-hours childcare places and 4,000 family day care places in the 2004/05 budget (Commonwealth of Australia, 2004). However, these increases fall well short of demand and do not touch the issue of long day care, where the shortfall is very pronounced. This is having a measurable effect on factors like labour market participation, with growing evidence that the lack of childcare is inhibiting women's labour market activity.

Government policy and the growing reach of the market

Government policy has critically shaped market opportunities in childcare and underwritten the rapidly increasing role (and profits) of private companies (Brennan 1998). Childcare provision has changed dramatically with the 1991 extension of subsidies to private centres. Operational and capital works subsidies for community-based centres provided by the Commonwealth Labor Government were ended by the Howard Government in 1997, resulting in the closure of many community-managed centres and a decline in the affordability of childcare (Baxter 2004). However, the total government contribution has increased dramatically. The expansion of private provision has seen a massive increase in expenditure. As Wannan, of the National Association of Community Based Children's Services Australia, has put it, 'This escalation in expenditure was almost entirely due to uncontrolled commercial development as the growth of community-based services ground to a halt' (2005, p 5). She concludes that a market-based rather than planned system of provision has 'sent community-based services into decline, and increased government outlays, increased the cost to users while failing to match supply with demand', let along match supply to other government objectives like women's labour market participation (2005, p 7).

Private providers now account for just over 70 per cent of all centre-based long day care places in Australia. Their share varies widely by State from 85.6 per cent in Queensland to around a third in Tasmania (see Table 3).

Within the short space of two decades, Australia's childcare system has taken a significant turn to the private market. And not the market of the neoclassical textbook, with many sellers, competitive pricing, perfect information and a ready local supply.

Table 3. Proportion of Commonwealth-supported long day care places provided privately, 2004, by State

	Per cent
Queensland	85.6
Western Australia	75.1
New South Wales	69.4
Victoria	66.9
South Australia	48.7
Northern Territory	38.7
ACT	38.0
Tasmania	32.8
AUSTRALIA	71.6

Source: Centrelink Administrative Data as at 27 September 2004. See Rush 2006a, p 3.

In terms of the dominant type of formal care for children, long day care, the market is dominated by one major commercial operator, ABC Learning Centres Limited, and supply is far from readily available. Another segment of private childcare is provided by independent owner-operated small businesses usually running a single centre (Rush 2006a, p 2).

The market for private long day care is underwritten by a very large taxpayer subsidy, through payments to parents who use formal centre-based care. In this sense, the market has a government guarantee and the industry a direct conduit to the public purse. It is no surprise that this direct line to secure ongoing funding has made the sector a stock market favourite. Further, the childcare market is one in which supply is very uneven geographically, with very variable information about what is being sold, including the quality of the 'product'. This is far from a 'normal' market. Most importantly, this market sells a fragile service: safe, developmentally appropriate care of children. Mistakes in this market – most notably, poor quality care – can have significant life-long effects. While the profits of private sector childcare provision are privatised for shareholders, at least some of its public, potentially negative, effects for children are socialised through taxpayer-funded remediation later in life, and widening inequality.

What is Wrong with the Market and Corporate Provision?

Six specific features of childcare make it a problematic candidate for private provision. First, childcare is a complex 'soft product': its quality and output are difficult to measure, making it 'hard to monitor activities and performance', and a less than easy product to regulate. It is very difficult for the consumer to have perfect knowledge about the products in this market (Lundsgaard 2002, p 2). Secondly, there is considerable potential for 'creaming': that is, supplying more profitable services (like care for children three to four years old) while leaving more expensive services (like care of babies or children with special needs) to the public sector. Thirdly, the

pull to deliver shareholder value will quite probably affect the quality of the service – a feature of childcare that, as we have seen, is critical to long-term outcomes for children. The logic of the market (cost minimisation and profit maximisation) has particular implications for children's services. While centres might fear low utilisation rates if they develop a reputation for low-quality care, it is often difficult for parents to judge quality, with indicators hard to come by and difficult to 'read'. The direct childcare consumer – often a child under five years old – is different from the purchaser of care (a parent or care giver). The child cannot easily speak about experience, so that the feedback loop from consumer to provider is imperfect and indirect to say the least. Other issues also complicate parental choice. A number of studies suggest that parents tend to overestimate the quality of care relative to objective measures (Press and Woodrow 2005, p 282). This probably reflects several factors: 'parents' lack of knowledge about what to look for, imperfect information about what they are purchasing or an emotional need to view the childcare as better than it is' (Press and Woodrow 2005, p 282). In a market where supply is short, parental over-optimism is likely to be especially strong.

Fourthly, the uneven geographic availability of care options makes choice about care problematic. This contradicts one of the first principles of an efficient market: choice between accessible, multiple suppliers. Recent court battles to restrain the construction of new services in the vicinity of existing ones are testament to the particular 'lumpy' character of childcare places and the assertive efforts that existing providers make to protect their corner in very localised markets. This makes *real choice* a practical unreality for parents in many locations.

Fifthly, high levels of demand reduce choice in the childcare market. With over 100,000 parents in search of places beyond the number available, and little prospect of a reduction in demand, it is not surprising to find that choice is constrained in the shadow of serious undersupply. In this context, the market fails.

Finally, what happens to children and parents when investors find that their rate of return falls? If capital is relocated, many children, parents, households and workplaces will be affected in ways that are personally very significant, and not without economic costs. As Wannan observes:

> Private childcare providers' long-term investment is in real estate. Government fee subsidies have made this possible. But if returns on the capital investment fall, private operators may turn to other forms of investment. If the for-profit sector collapses, or sells off land and buildings, the children's services system will require enormous rebuilding. Will the government be forced to buy back facilities at hugely inflated prices? Will government be forced to keep raising the level of subsidy to keep private operators afloat? (2005, p 24).

These characteristics of childcare for children under five years old make it a far from ideal candidate for private provision. This is why so many countries adopt public childcare systems.

Some of the above general difficulties are already obvious in Australia. For example, there are signs that Australia's private providers are 'creaming' with a tendency to provide more places in cheaper forms of care. Sixteen per cent of children in private long day care centres in 2004 were under two years old, compared to 21 per cent in community centres (FaCS 2005b). Babies are more costly to care for given their higher staff ratios, with five children per carer for children under two, and ten to one for children four to five years old in most Australian States (OECD 2002, p 90).

Similarly, community-based centres have higher proportions of special needs children. Children with high needs include those with disabilities, those whose parents have a disability, Aboriginal or Torres Strait Islander children, children of culturally diverse backgrounds, or children at risk (FaCS 2005b). Each of these categories potentially requires higher-cost care and higher staff/child ratios. In 2004, 20 per cent of all children in community-based long day care had

special needs, compared to 15 per cent in private centres. The gaps are wide in some States, especially the larger States: in New South Wales for example, 23 per cent of children in community-based centres were from culturally diverse backgrounds compared to 17 per cent in private centres, and 2 per cent were of Aboriginal or Torres Strait Islander background, compared to 1 per cent in private centres (FaCS 2005b). Children with disabilities made up 2 per cent of children in community-based centres across Australia, compared to 1 per cent in private centres (FaCS 2005b). It also seems that provision of childcare services in remote (and thus more expensive) locations are more likely to be community-based than private: in 2001, 7.8 per cent of employees in community-based long day care centres in Queensland were from remote areas compared to only 1.2 per cent of employees of private long day care centres (Misko 2001, p 6).

In terms of cost saving and quality of care, there is 'an inexorable tension between obligations to shareholders and obligations to children' (Horin 2003, p 39), and this tension is evident to many observers, including business analysts, childcare experts and centre managers (ABC 2004a, 2004b). The logic of the market is such that it will drive key indicators like staffing ratios and skill levels (accounting for around 80 per cent of centre costs) down to mandatory minima, and encourage careful calculations around the likelihood of their effective enforcement. In such situations, the nature of regulation and the effectiveness of enforcement become critical.

Corporate Standards

Rush's recent survey of Australian childcare workers confirms these concerns. Her 2006 study (which included 578 staff from a stratified random sample of childcare centres across Australia) found that childcare staff felt that the quality of care was 'generally quite high' across a range of issues, including adequate time for staff to relate to children individually, the responsiveness of the program to the individual needs of children, the quality of equipment and food (as well as its quantity), staff turnover and staff/child ratios. Community-based long day cares centres and independent private centres (usually run by an owner-operator) were seen as offering similar levels of high quality care. However, persistent and significant negative differences were evident in corporate chains.

On all of the above criteria, corporate chains performed more poorly in the eyes of staff than community and independent private centres. On the key issue of time to develop relationships with children, around half of staff in these latter two kinds of centres said they always have time to do this, compared to only a quarter in corporate centres (Rush 2006a, p ix). This difference also extended to equipment, with around two-thirds of those in community-based centres indicating that the variety of activities and equipment in their centres was good – compared to a third in corporate chains. Similar wide gaps existed around the provision of nutritious food and enough food. Less that half of staff in corporate centres felt that their centre always provided nutritious food (46 per cent), compared to 74 per cent in community-based centres and 73 per cent in independent private centres (Rush 2006a, p 35). On the critical question of staff/child ratios, 40 per cent of staff in community-based centres said their standard ratios were above the legal minimum, compared to only 14 per cent of corporate centre staff (Rush 2006a, p 37).

Most tellingly, 21 per cent of staff in corporate centres said they would not send their own children to the centre they worked in (or one with comparable quality of care), compared to 4 per cent of those who worked in community-based centres, and 6 per cent of those in independent private centres (Rush 2006a, p 50). Rush concludes that 'there are good grounds for believing that the lower quality of care revealed [in corporate centres] is due to the very nature of

the corporate enterprise', and its pursuit of a business orientation rather than 'humanist concerns' especially the warm, responsive, personalised care of children (Rush 2006a, p xi).

Concerns about the quality of care in private centres, especially corporate centres, have been publicly raised in Australia (ABC 2004a; ABC 2004b; Rush 2006a) with commentary about standards of care and education, the quality of food and facilities, and pressures from private providers to reduce the level of staffing ratios (ABC 2004a; ABC 2004b; Kirby 2003; Horin 2003). These deserve further systemic study. They are cause for concern, and certainly provide an argument for further research – research which may be difficult to undertake, given the research-averse culture in some large chains. For example, in 2003, ABC Learning Centres Directors were told by their operations manager to 'treat a survey sent by a union "the same way you would with junk mail … "' (Horin 2003, p 39). Similarly, Rush points to the company's 'discouragement' to staff publicly raising concerns (2006a, p ix).

Employment and staffing issues in the sector

Childcare workers subsidise childcare through their very low wages, relative to those paid to other workers with comparable levels of skill doing similar work. Childcare workers in Australia are paid less than waiters, librarians, plant nursery workers and garbage collectors (*The Weekend Australian Financial Review*, 23-28 December 2003). If childcare workers are exercising levels of skill and effort that are close to those of preschool teachers, they are currently subsidising childcare costs to the tune of at least 15 per cent. This is an involuntary but significant level of subsidy by a group of low-paid workers who can little afford it. Once again this increase in commodification contributes to a serious and widening labour market inequity, as higher-paid workers and the larger economy benefit from the labour of a poorly-paid, feminised service sector.

Low wages for childcare workers are recognised as a serious problem contributing to high labour turnover and creating difficulties attracting and retaining skilled workers. In a 2001 survey of Queensland childcare workers, the majority said they would leave the industry if they could find a better-paid job, and almost half of respondents would not recommend the job to others because of its low pay and status.

The shortage of skilled staff is at a crisis level in many Australian locations, affecting both public and private services. This reflects low pay, a flat career structure with low returns for higher qualifications, low levels of community esteem and high job demands (including unpaid overtime and long hours of work in some services) (ACTU 2004; Misko 2001). This shortage has implications for quality of care. In some States shortages of skilled staff have led to the relaxation of the licensing provisions that underpin quality assurance: where there are not enough qualified staff available, centres are allowed to continue offering services even where they cannot meet licensing requirements.

The above discussion points to some key concerns about the current evolution of childcare in Australia and the policy response into the future. We propose ten principles that are key to the future evolution of a fair, effective system of childcare in Australia, as a basis for discussion at this workshop.

Nine Policy Directions for discussion

1. What goals for the system?

A childcare regime that supports the well-being of Australian families and children must be accessible, affordable and provide high quality care. This is uncontroversial. However the goals of our childcare system are currently both fuzzy and multiple. They include, firstly, support for women's labour force participation (especially in an environment of relatively low rates of female labour participation, prospective skill shortages and rising dependency rates); secondly, support for choice for carers to be both carers and workers (with important implications for gender equity); and, thirdly, the education and well-being of children.

As labour market analysts, and policy analysts with an interest in the economic independence of women and gender equity, we see the first two objectives as important. However, we believe that the well-being of children should be the primary goal of a national childcare system. *By this we mean a system of quality care that places children's healthy development and equality of opportunity as its core goal.* This primacy means that quality care from the perspective of its effects on the health and development of children should be the over-riding goal of policy in the system – rather than the more instrumental goals of providing enough childcare (of variable quality and by whatever means possible, regardless of its impact on inequality) to meet labour market demands or underwrite workforce participation.

Of course the well-being of children is not unrelated to economic outcomes or the well-being and preferences of parents. A system that gives parents genuine choice and opportunity to find a good fit between how they want to care for children, and how they actually manage it, will result in better child well-being.

2. Essential complementary policies

Given the strong preference in Australian for familial care of infants, Australia should introduce a system of paid parental leave that gives parents and primary carers the practical opportunity to take leave from work for at least a year, and preferably up to two years, to care for infants and young children. Such a system requires a payment system that confers a living wage during the period of leave, allows its combination with other forms of leave (including the opportunity to request to return to work part-time), allows parents to share leave (or even requires fathers to use a portion of it on a 'use it lose it basis'), and treats secondary earnings neutrally in terms of taxes.

3. Access

Evidence about the role of early care in the educational development of young children, and in generating (or narrowing) social inequity create a strong case for government supported universal pre-school education for 3-5 year olds.

4. Who should pay? Who should plan?

Most of the costs of childcare are today born by parents and governments, particularly from the Commonwealth. The provision of a quality childcare system is an expensive enterprise. Quality infrastructure and resources, trained staff, work schedules that provide time for programming, reporting and in-service training, and lower child/staff ratios all cost. These costs should not be borne by children or childcare workers. The public good status of quality childcare services suggests that governments should provide significant financial support to the sector – as they currently do.

Governments – federal, state and local – must continue to play a critical role in facilitating quality, affordable supply.

We see a need for renewed support for capital grants and/or the provision of land at concessional rates to encourage child-care services to be built in poorly serviced areas. Increased funding and grants to the community-based sector will promote supply and keep downward pressure on costs in a section of the childcare market that is suffering under increasing competitive pressure from the corporatised sector. It will also ensure greater planning of provision, and work against private sector 'creaming' and super profits.

5. Affordability.

In view of rising costs, the Commonwealth ChildCare benefit (CCB) should be substantially increased and replace the 30 per cent Child Care Tax rebate. We are attracted to the ACOSS recommendation of a 30 per cent Childcare Benefit Guarantee that is linked to ….(how does this go?).

6. What standards for quality?

Staffing ratios and staff training appear to be especially significant to the quality of care. In this light we suggest that Australia move to adopt national staff/child ratios that are at the level recommended by international best practice. Press (2006, p 39) points to better quality ratings for childcare with ratios of 'at least 1 adult to 3 children for infants (1:3); at least 1:4 for toddlers and at least 1:9 for preschoolers'. Such ratios do not generally prevail in Australia. Quality care requires that our system move towards such ratios, including in non-centre-based care like family day care.

Further it is evident that the industry needs a workforce planning strategy that responds to the skill shortages in the sector – as well as providing adequate wages and employee returns.

7. Employment in the sector

Wages in the sector are too low despite recent increases. Much employment is casual and insecure. High labour turnover, low skill retention and difficulty in recruitment are consequences of the poor employment conditions in the sector. A national childcare system should not rely upon the under-payment of staff and their involuntary contribution to care.

Staff scheduling should provides paid time 'off the floor' for staff to do regular programming, documentation and in-service training.

8. Quality and Governance

At present the involvement of several levels of government in are provision and quality surveillance is costly, confusing and inefficient. The states need to reach a new settlement to provide seamless quality care.

9. Joined up services

Many parents are time poor. This affects their use of preventative health services as well as their capacity to meet other parents and form strong local attachments and community. Properly resourced 'humanist-centred' childcare centres providing multiple community services (like basic child and parent health and other community services) can provide important 'social joins' and strengthen social connection. Care facilities that link into schooling facilities can help build child and parent communities and create natural bridged into education. In this light government should fund multiple service facilities that are cost effective while building protective social connection.

10. Containing Corporate Provision

We have argued that several factors and recent evidence make corporate provision of the fragile service of infant and early childcare inappropriate. The private market fails, and most obviously where the powerful interests of the corporation meet the frail interest of the child. In this light, government support should be adjusted to favour public provision and expansion of public services. At the same time, corporate providers should meet best practice standards and be vigorously evaluated, alongside other providers.

11. Monitoring and compliance

A quality system requires careful monitoring including random checks, the collection of information by independent parties, robust research about the sector and its practices and outcomes, and serious penalties where standards are breeched. Multiple levels of government monitoring are expensive and inefficient.

Conclusion: Forces for Change and the Role of Research

What will it take to achieve a quality, accessible, affordable, equitable childcare system in Australia? And what role can our research play in this quest?

Childcare is on the political agenda of both major political parties. It may be being dealt with in a piecemeal and ad hoc manner, but it is an issue that affects many everyday voters and it is an issue that is here to stay.

However this attention does not assure positive outcomes. A decade of public policy orientated to families with children has not adequately supported the choice of women to integrate paid work with caring responsibilities (Hill 2006). The assumption of a male-breadwinner model continues to linger within family policies and even the recent shift towards acceptance of the one-and-a-half earner household model only serves to entrench women's position as 'secondary earners'. This means the political campaign for a quality childcare system is circumscribed by the ongoing struggle for gender equality in Australian institutions and policy more generally. We do not live in women friendly times – in spite of the Treasurer's recent claims to make Australia the most female friendly country – and the campaign for government support for a high quality childcare system will be as much about women's equality as it is about child well-being and development. These are difficult issues.

American feminist economist, Nancy Folbre argues there are 'high road strategies' for reform in the care sector (Folbre 2005). She argues that the high road to quality care will be defined by strategies that: (1) Build links among care sector workers; (2) Emphasise the common interests of care providers and care recipients; (3) Challenge the claim that 'care should not pay'; (4) Promote unionisation; (5) Affirm and strengthen the public sector; and (6) Publicise and encourage best practice management.

Folbre's focus on the common interest of childcare workers and 'consumers' – parents and children – in a high quality service is compelling. In a high demand context Australian parents tend to prioritise concerns with access over quality and sometimes fail to understand the negative relationship between low staff wages, high turnover rates and the quality of the care their children receive. Folbre's call for the development of coalitions between staff and parents is a particularly creative way that a campaign might be developed to improve the wages and work conditions of early childhood teachers that are so fundamental to quality care. In an increasingly corporatised market place Folbre's emphasis on the role of the public sector in the provision of quality, affordable and accessible care is also of interest.

One of the opportunities we have over these two days is to identify some of the critical pathways whereby we might engage in the political and policy making process to push key ideas forward. We hope to discuss these tomorrow.

We also hope to identify new avenues for research that may provide important information with which we can either combat poor policy making or define good policy ideas. The current developments in New Zealand around pay parity for childcare workers with primary school teachers, and the provision of 20 hours per week of free pre-school education stand out as a set of policy developments that are worth examining in an economy and society not very different from our own.

One thing is clear: social policy research on these issues is very important and we hope these two days help that effort along, in strategic directions.