



WHO PAYS FOR CARE?

The New South Wales Association of Child Caring Agencies, 1981 (44 pp., plus appendices, paper)

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Who Pays for Care? is the report of management consultants, Deloitte, Haskins and Sells, commissioned by the Association of Child Caring Agencies. As Peter Quirk's foreword points out, it was hoped to 'encourage a response' from the NSW Government and, if the 1982 Budget is any indication, it was successful in that regard.

At base, the non-government child welfare sector had its back to the economic wall. Increasing demand for services, escalating costs and dwindling resources constituted a crisis for the agencies of such dimensions that closure of services appeared for some to be the only option. The curious fact emerges that these agencies had federal and state funding to the tune of 30%, while the proportion of referrals from government sources tended to 30% and 50% rising to 80-90% in agencies dealing with particularly difficult problems, this in the face of public institutions providing similar services. One wonders what would happen if state education departments despatched the odd pupil to a private school and refused to pay the bill!

Apart from such a glaring anomaly, private child care agencies provide services which the state does not provide and from which, according to this report, considerably community benefit flows. The report argues that since the community derives benefit it should in part fund the services. It does not advocate total public funding, postulating that in a society such as Australia no one sector or group should have sole responsibility for funding of community benefits of welfare as welfare services are directed to meeting individual rather than group needs. The consultants, a firm of chartered accountants and management consultants here buy into welfare arguments that would appear to be beyond their area of expertise. There are better arguments against one source of funding than those postulated in the report. A good example would be the present

plight of tertiary education, tied as it is almost entirely to federal funding. A change of government to one with different priorities can place such organisations at immediate risk. On the other hand it could be argued that some services meet individual needs but in this society we pay for them as a collectivity, hoping we may never need them – the fire brigade, for example. Child care occupies a curious residual place in Australian society. There is a strong ethos attached to our capacity as parents and profound stigma when the family breaks down or fails (particularly financially). The rich send their problem children to an expensive, fee-for-service boarding school, the poor to Boystown. The child care system is there when the ordinary mechanisms of the capitalist society, the market place and/or the family, cannot cope. Some would argue that some children will be permanently at risk in such a society and if the community had any conscience at all, it would ensure through its collectivity that children's needs are met rather than leaving child care largely to the efforts of well-intentioned but impoverished charitable agencies.

Deloitte, Haskins and Sells would not see it this way, firstly, as some would say, because firms of chartered accountants are part of the very capitalist system that perpetrates the problems of the poor, but secondly, because they were hired by the voluntary sector wanting to survive. The consultants therefore assume the conventional wisdom that voluntarism is good, that it is less bureaucratic, more sensitive to human need and more innovative than state instrumentalities. But being good accountants, they note quite accurately that some voluntary agencies are babes in the wood when it comes to financial management (a little sound business management could rectify that), and, even more significantly, that the private sector is cheap. Public services are expensive simply because they would not have the gall to rely on gifts in kind, namely the free or underpaid labour (mostly women) which still occupies a central role in the private sector. One may still see vestiges of voluntarism in public instrumentalities – 'pink ladies' in public hospitals or 'class mothers' in state

primary schools, but by and large in this hard cold world, a job worth doing is worth being paid for. The consultants do not buy into this argument – the rights and wrongs of exploiting free labour – but do make the point that if agencies are going to provide quality service then duly qualified people must be employed. Good intentions are not enough.

This is the main strength of the report. It is a thoroughly professional and business-like appraisal of the financial circumstance of these private agencies. It is refreshing to read, in no-nonsense language, sound financial advice like not using capital for on-going expenses. Indeed, the management of capital is an important part of this document, given that some of these agencies occupy prime real estate in Sydney and have considerable capital assets in investments and building stock which may be under-utilised, poorly managed, or, in the case of building, inappropriate and inefficient in terms of contemporary child care policy.

As a blueprint for good housekeeping this report has much to offer. Its recommendations on income maximisation and cost minimisation make useful reading.

In conclusion, however, it does not answer the question posed by its title. Rather does the report, by implication, pose more fundamental questions about child care in contemporary societies such as ours, which, in fairness, are outside the bailiwick of accountants.



VOLUNTARISM & CARE

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This report is sub-titled 'Contextual Statements on the Role and Funding of the Non-Government Child Welfare Sector' and is the product of a small sub-committee of ACCA. Originally generated out of a belief that the voluntary child care sector needed a cohesive policy statement on funding, the committee soon struck difficulties, primarily that there was no consensus – only diverse and conflicting opinion. The committee thus needed to go one step further back in the process of policy formulation and address fundamental areas which needed to be understood. What is the historical legacy in New South Wales? Why voluntary agencies? How does government use the voluntary sector?