

**A Fair Australia**  
**Child Care**  
**Policy**  
***ACTU Congress 2003***

## INTRODUCTION

### **Childcare is an Integral Part of Balancing Work and Family**

1. More and more families with young children are trying to balance parenting and work. The provision of accessible and affordable childcare is an integral part of meeting this balance. As debates are held over paid maternity leave and flexible work practices, childcare must also be recognised as a significant factor in assisting working families in our modern society.
2. There are a myriad of reasons why families need childcare assistance. Some families need two incomes to survive. Other parents can not afford not to work for a substantial period of time if they want to keep their job or maintain a meaningful career. Childcare services can also provide a respite from home duties for parents who are not currently in the workforce. Whatever the reason, it is clear that balancing work and family is a major issue for our community that needs to be addressed urgently.

### **Many Australian Families use Childcare Services**

3. There are about 1.5 million Australian children under the age of five. Every year 250,000 new babies are born. By the time a child is in his or her second year, 57% of mothers are back in the workforce. By the time their children turns three, 68% of mothers are back in the workforce. In 2001, more than 830,000 children between the ages of 0-12 used some part of the Commonwealth child care system.
4. And the number of working families has been steadily increasing over the past decade.<sup>1</sup>
5. We also know that many parents are working longer and harder than before.<sup>2</sup>

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<sup>1</sup> ABS, Australian Social Trends 4102, 2001

6. Parents struggle to find childcare places and are concerned about the cost of care and the quality of care. Working families need their child care services to be:
  - (a) accessible;
  - (b) affordable; and
  - (c) of a high quality.
7. There are good policy reasons for ensuring childcare is accessible and affordable for working families and children.
8. The benefits of providing adequate childcare support for working families include:
  - (a) satisfaction of the work expectations of parents;
  - (b) effective use of the skills of working women;
  - (c) supporting women's equality;
  - (d) provision of a current and future labour supply;
  - (e) promoting economic self-reliance of families;
  - (f) reducing poverty;
  - (g) increased family income and its flow-on effects to consumption and economic growth;
  - (h) job growth;
  - (i) ensuring a broad tax base to sustain an aging population; and
  - (j) higher fertility rates.<sup>3</sup>

### **Women's Participation in the Workforce**

9. Women now make up 44% of the paid workforce, and contribute significantly to a skilled and valuable labour market. Over half of Australia's tertiary educated adults are women, in whom our community has invested considerable resources.

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<sup>2</sup> See Buchanan J. et al, "Working Time Arrangements in Australia: A Statistical Overview for the Victorian Government" 2001, and Pocock et al, "Fifty Families: What Unreasonable Hours Are Doing to Australians, Their Families and Their Communities." A report commissioned by the ACTU, July 2001.

<sup>3</sup> Peter McDonald, "Issues in Child Care Policy in Australia", Australian National University

10. If Australia wishes to maintain its competitive edge in the global economy, working women and their families need support and assistance to be able to balance childcare and employment.
11. Many women's jobs are a source of independence, financial security and part of their identity. As a matter of policy, a women's right to participate in social and economic life outside the family should be recognised and actively supported.

### **Investing in the Early Years**

12. We also know that the early years of a child's life are the most important developmentally. 75% of a child's brain develops during the first five years of their life, and half of all the intellectual and developmental potential of a child is established by age four.<sup>4</sup>
13. Early childhood education and care programs serve several complementary purposes, including:
  - (a) children's cognitive, social, emotional and physical development;
  - (b) assisting with school readiness;
  - (c) parent support; and
  - (d) early identification of children at risk.

### **Childcare is an important Foundation for a Clever Australia**

14. The ACTU recognises that access to quality childcare and early learning facilities is the starting point of our commitment to equal opportunity for all Australians.
15. Affordable, accessible and quality childcare promotes:
  - (a) effective parenting;
  - (b) healthy child development;
  - (c) school readiness;
  - (d) competent future citizens;
  - (e) strong communities; and
  - (f) social cohesion.

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<sup>4</sup> McCain and Mustard, Reversing the Real Brain Drain: Early Years Study 1999.

16. In this policy document the ACTU outlines the need to:
- (a) undertake a comprehensive analysis of needs areas;
  - (b) develop a national, integrated approach to planning and delivery of early childhood education and care;
  - (c) recognise the importance of early years learning, development and the successful transition to school;
  - (d) address the shortage of child care places and improve ongoing access to services for all families;
  - (e) ensure that all Australian children have access to at least one year of free pre-school education prior to going to school;
  - (f) better integrate child care and related services ;
  - (g) increase the affordability of child care services for all families;
  - (h) commit to fund improved wages and conditions for childcare staff; and
  - (i) ensure the provision of high quality services.

## **CHILD CARE MUST BE ACCESSIBLE**

### **We need a Proper National Analysis of Access Issues**

17. We know anecdotally that there is a serious shortage of childcare places. However, it appears difficult to get accurate information about un-met demand in childcare places from all levels of government.
18. A clear overview of services and programs available to parents and their children and the identification of gaps needs to be the starting point for a national plan to address child care access issues.

#### **Recommendation 1**

A thorough analysis across all levels of government needs to be made of gaps in accessibility of childcare facilities on both a geographic and community needs basis.

### **There is a Serious Shortage of Childcare Services**

19. As at December 2002 the best estimates of shortages were:<sup>5</sup>

<sup>5</sup> Department of Family and Community Services, Answers to Senate Estimates Committee, November 2002

Outside school hours care	30,000 nationally
Family day care	2,000 nationally
Long day care	18,000 nationally- based on 4,500 in Victoria alone
Special needs children	Over 600 nationally on formal waiting lists- many others are not counted in this number
Aboriginal children's services	40 towns with major Aboriginal populations with no Aboriginal children's services

20. However, a recent ABS survey found that between 2001 and 2002, an alarming 174,500 children missed out on some form of childcare due to lack of access.<sup>6</sup>

### Outside School Hours Care and Family Day Care

21. In the July 2002 school holidays, reports indicated an alarming shortage of holiday Outside School Hours Care places, with the largest un-met demands in NSW (16,145 un-met demands), QLD (7,274) and Victoria (5,175).<sup>7</sup> The ACTU supports a more planned approach by the Federal Government, as opposed to the current ad hoc allocation of new places, to assist in meeting changing demographic needs in many suburbs and regions and un-met demand due to caps on services.

### Long Day Care

22. In long day care, the shortages appear to be greatest in low-income metropolitan or regional areas. Since the Federal Government withdrew capital funding for non-profit centres, new services being set up tend to be in high-income areas.
23. The Federal Government needs to acknowledge that market forces are inadequate in dealing with appropriate access to childcare facilities. There needs to be a commitment to funding programmes to support the development of new centres in areas with un-met demand, such as in lower socio-economic communities, and rural or regional areas.
24. There is also strong anecdotal evidence of a growing shortage of places for young children aged 0-2 years old. Care for this age group is significantly more resource intensive under current licensing arrangements which have resulted in a chronic shortage of places for this age group. The Federal Government needs to implement funding programmes to increase places for this age group.
25. The ACTU recommends planning for access to at least 20 hours of childcare facilities per week for every child under school entry age.

<sup>6</sup> Australian Bureau of statistics, Child Care Survey, June 2002

<sup>7</sup> Statistics from Federal Department of Family and Community Services in "Child-care demand outstrips funding" The Age 12 July 2002.

## Recommendation 2

With respect to the Federal Government's planned allocation of spaces for Outside School Hours Care and Family Day Care, the ACTU seeks:

- (a) A commitment to funding programmes to support the development of new Long Day Care centres in areas with un-met demand.
- (b) That Federal Government programmes provide places for the 0-2 age group.
- (c) That there be planning for access to at least 20 hours Long Day Care per week for all families per child under school entry age.

## Programs Need to Ensure Disadvantaged Children can Access Quality Childcare

- 26. Funding should recognise the geographic, socio- economic and cultural factors that may inhibit families access to children's services.
- 27. These may include rural and remote communities, indigenous communities, families for whom English is a second language and families where children or parents have disabilities.
- 28. The lack of service may arise from factors such as the physical or cultural inappropriateness of services, insufficient numbers of staff to provide the level of care and education required, or lack of specific expertise in staff.
- 29. Both State and Federal Governments need to understand the varying capacities of geographical communities to develop and sustain quality early child hood services and provide funding and support accordingly.
- 30. Funding programmes are required for the development of services in areas of particular economic and social disadvantage.

## Recommendation 3

That there be:

- (a) An analysis of the varying capacities of communities to develop and sustain quality early child hood services.
- (b) A commitment to funding programmes for the development of services in areas of particular economic and social disadvantage.

## Mixed Care and Co-Located Services

31. Many parents struggle to juggle the childcare needs of children of varying ages. Work-based, mixed care or co-located services would assist in balancing parental needs and work demands. It is recognised that in most states and territories, preschool education is part of the education system, and that a number are exploring options of co-locating early years childcare and after hours and vacation child care within educational institutions.
32. Options for the provision of more flexible and convenient care include:
  - (a) The establishment of multi-function early childhood education and care centres, such as long-day, pre-school, before and after school, and occasional care.
  - (b) The co-location of related services such as child care centres with maternal and child health services, play groups, mothers groups, toy libraries, parenting classes and support, and community centres.
  - (c) The piloting of co-located or multi-functional early childhood services within educational institutions.
  - (d) The establishment of work-based services.
33. In addition, the decline in population in many rural and non-metropolitan communities has been accompanied by a decline and withdrawal of both services and private resources.
34. Federal and State Governments need to better utilise existing community resources, particularly in these areas. The concept of co-located or joint multi-purpose facilities is equally applicable in areas of high need and economic hardship.

### Recommendation 4

The ACTU supports the development and implementation of State and Federal policies to provide incentive funding to encourage growth directed at co-located or multi-function arrangements which maximise benefits to the local community.

## CHILD CARE MUST BE AFFORDABLE FOR ALL WORKING FAMILIES

35. Despite the importance of these early years, in Australia we currently spend only 0.1% of GDP on early education and care, ranking us 26<sup>th</sup> out of 28 OECD countries for investment in the early years. The OECD

average for spending on early education and care is around 0.6% of GDP.<sup>8</sup> The Commonwealth budget spending on childcare in 2002 was \$1.514 billion, compared to \$12 billion on defence, \$12 billion on education and \$30 billion on health care. We need a commitment to bring Commonwealth funding of childcare more into line with that allocated to education and health care.

36. According to 2002 ABS statistics, out-of-pocket childcare costs have increased by almost 18% in the March quarter this year, compared to the average CPI increase of 3.4%.<sup>9</sup>
37. The turmoil the industry and families have experienced over the past decade points to the vulnerability of the sector to shifting cost structures and affordability problems. Progressively in the 1990s many operators went out of business as the level of affordability fell and parents, especially women, were forced out of the system.<sup>10</sup> The childcare sector, children services staff, families and communities must be able to expect stability and certainty.<sup>11</sup>
38. A long-term taxation and benefit system needs to be developed which aims at providing affordable childcare and true choice and flexibility for parents.

#### Recommendation 5

- (a) That governments work towards achieving the long-term objective of 15 hours free childcare for every child and a guarantee that no more than 15% of family income need be spent on childcare by the year 2010.
- (b) This proposal is based on a child care fee assistance scheme targeted at low paid families where families earning less than \$100,000 per annum can choose the better of 15 hours free childcare or a cap on contributions at 15% of household income.
- (c) The scheme would be based on a standard childcare fee of \$50 per day, indexed in line with the cost of living. This scheme provides true choice and flexibility for families of varying means and varying childcare needs.
- (d) Under this scheme, low income families with two children in 20 hours care would pay between \$9 and \$40 as opposed to the \$62-\$106 they spend under the current Federal Government's Child Care Benefit scheme. Middle income families with two children in 20 hours care would pay \$40 as opposed to the \$106-\$148 they spend under the current Federal Government's Child Care Benefit scheme.
- (e) The scheme could be phased in leading up to 2010.

<sup>8</sup> OECD Starting Strong 2001 p.87

<sup>9</sup> ABS Quarterly Inflation Figures, March 2003.

<sup>10</sup> Peter McDonald, "Issues in Child Care Policy in Australia", Australian National University

<sup>11</sup> Peter McDonald, "Issues in Child Care Policy in Australia", Australian National University



## CHILD CARE MUST BE OF HIGH QUALITY

### Accountability

39. Government policy needs to recognise that the early years of a child's life are the most critical for the development of children's future well being.
40. Stringent and enforceable accountability is particularly important given the large number of 'for profit' services. Parents must be assured that quality childcare will be provided in centres despite the imperative to produce financial surplus for private profit.
41. In addition, the ACTU has concerns regarding the increasing corporatisation of childcare services and the effect this trend may have on the quality, accessibility and affordability of care as well as the conditions of childcare staff.
42. There is currently an ad hoc accreditation system in place for some children's services. This system should be extended and enhanced to for all children's services to ensure that quality childcare is always the paramount consideration and never compromised.
43. Spot checks with appropriate penalties need to occur in order to genuinely ensure centres are maintaining high quality care, such as in the provision of adequate, nourishing food, adequate staffing and supervision, and quality educational and developmental programs for children in care.
44. The ACTU recommends a consideration of options to encourage parental involvement in the management of for profit childcare centres.
45. The ACTU supports the development of a single, nationally agreed quality assurance and regulatory scheme, but only if such a scheme does not diminish any of the current regulatory and licensing standards that exist across the States and Territories.

### Recommendation 6

That a single, nationally agreed quality assurance and regulatory scheme that does not diminish any of the current standards be developed.

### Staffing

46. Childcare facilities must be staffed adequately. The ACTU recommends staff to child ratios of at least:

- (a) 1:4 for children under 12 months;
  - (b) 1:5 for children from 12-23 months; and
  - (c) 1:8 for children from 24-71 months.
47. There should be a minimum of one qualified staff member for every unqualified staff member.
  48. Adequate government funding of childcare must be provided to accommodate decent wages and working conditions for childcare professionals.
  49. Closures of centres in the 1990s has led to a permanent loss of childcare professionals from the industry.<sup>12</sup>
  50. Although accurate statistics are not available, anecdotal evidence suggests that demand far outstrips supply and the industry is unable to gear up again because of a chronic shortage of childcare professionals.<sup>13</sup> Extremely poor remuneration is driving people out of the sector.
  51. The main determinant of quality in children's services is the quality of the staff. Well-qualified and well-remunerated staff are capable of providing high quality childcare and educational opportunities.
  52. None of the money that has been directed to children's services has been directly devoted to rewarding childcare professionals in the form of wage increases in recognition of the value of the work performed.
  53. Yet the Senate Community Affairs Committee into Childcare Funding found that "*child care workers are amongst the lowest paid children services staff in the country given the nature and responsibility of their work.*"<sup>14</sup>
  54. According to the latest ABS occupation earnings data (May 1998), non-teacher qualified children services staff are paid less, on average, than waiters, hairdressers, education aides, checkout operators and cashiers, hand packers, cleaners, bar attendants, personal care assistants, keyboard operators, secretaries and personal assistants and telemarketers.<sup>15</sup>
  55. Government policies must attract and retain highly skilled childcare professionals.

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<sup>12</sup> SCARC 1998

<sup>13</sup> Peter McDonald, Issues in ChildCare Policy in Australia, ANU.

<sup>14</sup> Parliament of Australia (1998) Senate Community Affairs Committee into ChildCare Funding, chapter 6.

<sup>15</sup> "Caring for Australia's Kids in the 21<sup>st</sup> Century: Enhancing Capacity to Deliver Quality Children's Services", Draft report prepared by Tasman Economics for the Health Employees Superannuation Trust of Australia (HESTA) June 2001, p.15

56. Wages for childcare workers must be brought in line with those of occupations with comparable skills and qualifications.
57. Childcare staff conditions such as long service leave and skills recognition should also reflect the value we place on early childhood services as a community.
58. There is a perception among employers in the industry that consumers' capacity to pay for children's services is already stretched to the limit. It is clear that parents should not be expected to bear the full brunt for any increases in pay for childcare professionals.
59. The Federal Government has moved towards direct subsidising of families through the payment of, for example, the ChildCare Benefit. It is clear that current levels of this payment will not be sufficient to enable parents to pay for any reasonable pay increase.
60. Two childcare unions, the ASU and LHMU are currently running wage cases to improve the remuneration for childcare staff.
61. The Federal Government must be prepared to commit to childcare funding levels which can accommodate the provision of decent wages and conditions of childcare professionals to ensure quality services.
62. The ACTU supports a proposal to provide funding tied to childcare staff wages as well as incentive funding to improve qualified staff ratios and services.

#### **Recommendation 7**

The ACTU will continue to guide, advise and identify ways that will further work to improve the wages and conditions of all childcare workers. These must include Family Day Care - homebased workers. Further there must be:

- (a) Increased government funding levels to accommodate improved wages and conditions for childcare professionals including home based childcare workers.
- (b) A commitment to provide incentive funding tied to improved staff wages, qualified staff ratios and services.

## **TRAINING AND PROFESSIONAL DEVELOPMENT**

63. A strategy and program needs to be developed which addresses the shortage of childcare staff. Childcare professionals are leaving the sector for improved pay and conditions in other industries.

64. A shortage of early childhood trained teachers is leading to difficulties in their recruitment across the children's services industry. There is also a shortage of other vocationally trained children's services staff. Enrolments in children's services vocational courses at TAFE are down. There is concern as to the readiness to work of recent graduates.<sup>16</sup> Any proposals to impose a HECS or similar schemes on TAFE courses or to increase existing student fees and charges would act as major disincentives to entry into training and the industry.
65. Traineeships and competency based training offer alternative options, but their success relies on the quality of on-the-job supervision, adequate staffing levels and time set aside for training and supervision.
66. There needs to be greater training opportunities for childcare professionals, in particular for non-graduates, already in the profession.
67. At least one tenth of the working week of children's services staff should be recognised as non-contact time for preparation and on-going training and professional development.
68. A program needs to be developed which encourages children's services staff to participate in forums designed to improve early childhood services.
69. With a large number of mature age, non-qualified women working in the sector, recognition of prior learning schemes and options for re-entry and re-training should be extended.

#### Recommendation 8

That:

- (a) A strategy and program needs to be developed which addresses the shortage of enrolments in children's services courses.
- (b) Recognition of prior learning schemes and options for re-entry and re-training should be extended.
- (c) At least one tenth of the working week of children's services staff should be recognised as non-contact time for preparation and on-going training and professional development.

<sup>16</sup> Liquor, Hospitality and Miscellaneous Workers Union, "Childcare and the Election: LHMU Position." (2001)

## AN INTEGRATED SYSTEM

70. A system that recognises the importance of childhood requires integration of all services that affect children and families across existing levels of government.
71. Where poor arrangements exist between the levels of government, families experience fragmented service delivery and limited options.
72. An integrated system of local networks needs to be developed, linking child and family support services such as childcare, maternal and children's health, early intervention, family support, and early childhood education.
73. Such a system should aim to:
  - (a) maximise the resources dedicated by State, Federal and local governments;
  - (b) provide a comprehensive approach to early childhood development that includes child care, parenting support and early childhood education;
  - (c) integrate and coordinate programs across education, social services and health sectors,
  - (d) ensure delivery of programs is driven at the local community level in order to be responsive to local needs;
  - (e) tackle the isolation of families and help build communities; and
  - (f) develop consistent standards of practice to ensure quality of programs.

### Recommendation 9

That an integrated system of local networks, linking child and family support services such as childcare, early childhood education, maternal and children's health, early intervention, and family support be developed.

## A LONG TERM PLANNING AND RESEARCH AGENDA

74. Affordable, accessible and quality childcare and education is of fundamental importance to the Australian community and deserves a thorough, well researched, long-term plan which is coordinated across all levels of government.

## Research

75. There is a serious lack of nationally comparable data on program operations, participation rates and outcomes for children. It is crucial that proper research is conducted to ensure family friendly initiatives are effective and well targeted.
76. A mapping exercise of service provision and funding is needed which reviews areas of duplication, overlap and funding deficiencies.
77. The ACTU supports the ALP proposal for the development of an Early Childhood Research Strategy to help raise the overall quality of data, information, research and service delivery.<sup>17</sup>

### Recommendation 10

- (a) A mapping exercise of service provision and funding to review areas of duplication, overlap and funding deficiencies must be conducted.
- (b) An Early Childhood Research Strategy must be developed.

## NATIONAL ADVISORY BODY

78. Governments providing significant funding should consult with those in the field about how outcomes can best be achieved. There is a need for a multi-level framework between the governments, providers, unions, industry and community groups, consumers and the general community.

### Recommendation 11

The ACTU recommends the establishment of a National Advisory Body comprising of:

- (a) industry representatives;
- (b) state and territory government representatives;
- (c) local government representatives;
- (d) parent representatives;
- (e) unions; and
- (f) special needs groups.

79. The role of the Advisory Body would be to:

<sup>17</sup> ALP, Growing Up- Investing in the Early Years, Discussion Paper 2003, pp.36-37

- (a) scrutinise all proposed government policies in relation to children and families;
  - (b) identify needed policy reforms;
  - (c) inform government about the capacity of services to meet objectives;
  - (d) identify barriers and solutions to services meeting objectives;
  - (e) facilitate improving links with related industries including education;
  - (f) promote the contribution of the children's services industry to the national economy;
  - (g) recommend on improved wages and conditions for childcare staff in early childhood services;
  - (h) oversee the development of a national training and employment scheme;
  - (i) provide advice and co-ordination in relation to existing standards in service provision and proposals for proposed standards; and
  - (j) commission research.
80. The body would need to be powerful, well-resourced, influential and respected and the organisations dealing with it need to be accountable to it.

## CONCLUSION

81. We must recognise the importance of the first five years in children's development. We must also recognise access to support services in this period as the foundation stone for a fair and egalitarian society.
82. Child care must be affordable, accessible and of high quality. The industry currently needs stability for parents, children services staff, operators and children. The Federal Government must develop policies to maintain this stability in a manner which supports the principles of affordability, accessibility and quality.
83. The lack of initiatives designed to assist parents to balance work and family, such as affordable, accessible childcare, is a great loss of opportunity and is influencing young families to postpone and limit birth rates.

84. Poor wages and conditions are driving childcare professionals away from the childcare sector and thus jeopardising the quality of care available to our youngest generation.
85. A long-term, comprehensive approach needs to be taken that is progressive and genuinely supports the increasing number of Australian working families.