

**Future of Work**  
**Child Care**  
**Background Paper**  
***ACTU CONGRESS 2003***

## **CONGRESS 2000**

1. Congress 2000 identified as a key issue the need to campaign for:

*increased childcare subsidies to make quality childcare services, staffed by properly qualified and paid workers, affordable for working families.*

2. It also sought to:

*improve equal pay through assisting affiliates to pursue applications for equal remuneration under the Workplace Relations Act wherever unequal remuneration is identified.*

## **DEVELOPMENTS SINCE CONGRESS 2000**

3. There has been a marked increase in the number of parents of young children in the paid workforce to the extent that over 56% of families now have two parents working.
4. This surge in working parents of infants has given rise to a serious shortage of services, particularly in less profitable areas.
5. At the same time there has been an increase in the cost of childcare to families by over 17%.
6. There has also been growth of 'for profit' childcare services. This raises the issue of the need to ensure that quality childcare is not compromised in the pursuit of profit.
7. In the last three years we have seen a significant campaign by the ASU which recently achieved pay equity for its members in local government childcare centres in Victoria.

8. The LHMU have also lodged an application for wage increases for ACT private sector childcare employees.

## ISSUES FOR POLICY AT CONGRESS 2003

### Childcare is a major issue for Australian families

9. There are about 1.5 million Australian children under the age of five. By the time children turn three, 68% of mothers have returned to paid work. In 2001, more than 830,000 children between the ages of 0-12 used some part of the Commonwealth child care system. Childcare is a major issue for Australian families.
10. Childcare is integral to parents' ability to balance work and family. Parents struggle to find childcare places and are concerned about the cost of care and the quality of care. Working families need child care services to be:
  - accessible;
  - affordable; and
  - of a high quality.
11. Apart from providing assistance to working parents, good quality childcare is a vital element of early childhood development. 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 the entire intellectual and developmental potential of a child is established by age four.<sup>1</sup>
12. Provision of accessible and affordable childcare for working families benefits the child, the parents and society as a whole. These benefits include:
  - satisfaction of the work expectations of parents;
  - effective use of the skills of working women;
  - supporting women's equality;
  - the provision of a current and future labour supply;
  - promoting economic self-reliance of families;
  - reducing poverty;

---

<sup>1</sup> McCain and Mustard, Reversing the Real Brain Drain: Early Years Study 1999.

- increased family income and its flow-on effects to economic growth;
  - job growth;
  - ensuring a broad tax base to sustain an aging population; and
  - higher fertility rates.<sup>2</sup>
13. Access to quality childcare and early learning facilities is a vital part of our commitment to equal opportunities for all Australians.

### **Childcare must be accessible**

14. There is a serious shortage of childcare services. As at December 2002 the best estimates of shortages were:<sup>3</sup>

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)

15. There is not sufficient national information about the range of services available to parents, and the gaps that exist in the provision of these services.
16. Specific areas that need to be addressed include:
- long day care shortages which appear to be greatest in low income metropolitan, or regional areas where profit margins for centres are lower;
  - shortage of places for young children aged 0-2 years old who require more resource intensive care;
  - a lack of mixed care or co-located services to assist parents in balancing childcare needs and work demands; and
  - a reduction in formal and informal childcare services in many rural and non-metropolitan communities.
17. It must be acknowledged that market forces alone cannot adequately ensure access to childcare services.

### **Childcare must be affordable for all working families**

<sup>2</sup> Peter McDonald, "Issues in Child Care Policy in Australia", Australian National University

<sup>3</sup> Australian Labor Party, Growing Up- Investing in the Early Years, Discussion Paper, 2003, p.19

18. 2002 ABS statistics show that families' out-of-pocket childcare costs have increased by almost 18% in the last year, more than any other expenditure in the survey.
19. Industry turmoil resulting from the withdrawal of operational subsidies to centres over the past decade points to the vulnerability of the sector to shifting cost structures and affordability problems. All stakeholders - children's services workers, families and communities need greater stability and certainty.<sup>4</sup>
20. Financial assistance for families who use child care needs to be increased.
21. *The ACTU Childcare Affordability Guarantee 2010 Proposal* is targeted at low paid families where families earning less than \$100,000 per annum can choose the better of 15 hours free childcare per week or a cap on contributions at 15% of household income.
22. 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.

### **Childcare must be of high quality**

23. There needs to be greater policy recognition of the fact that the early years of a child's life are the most critical for the development of his or her future well being.
24. Stringent and enforceable accountability of childcare services is particularly important given the large number of 'for profit' services. Parents must be assured that quality childcare services will be provided irrespective of whether centres are required to produce a profit for shareholders.
25. There are additional reasons to be concerned about the increasing trend towards corporatisation of childcare services and their listing on the stock exchange. While the market has regarded these companies as potentially highly profitable, this does not necessarily mean that it will have a positive effect on the quality, accessibility and affordability of child care and the employment conditions of child care workers.

### **Pay equity for childcare employees**

26. The main determinant of quality in children's services is the quality of the staff.

---

<sup>4</sup> Peter McDonald, "Issues in Child Care Policy in Australia", Australian National University

27. Well-qualified and well-remunerated staff are capable of providing high quality childcare and educational opportunities.
28. Extremely poor remuneration is driving qualified workers out of the sector. The Senate Community Affairs Committee inquiry into childcare funding found that:

*child care workers are amongst the lowest paid workers in the country given the nature and responsibility of their work.* <sup>5</sup>

29. In spite of this, Government funding of children's services has not been directly devoted to rewarding workers in the form of wage increases in recognition of the value of the work performed.
30. Two child care unions, the ASU and LHMU are currently seeking to improve the remuneration for child care workers through award increases, in order to bring them into line with other workers with comparable skills and qualifications.
31. 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 children's services workers.

#### **A long term planning and research agenda**

32. Lack of information and research is an impediment to developing long-term national planning for the development of children's services.

#### **An integrated system**

33. The splitting of responsibility for children's services across all levels of government, as well as the private sector, leads to inefficiencies and service gaps.

#### **National Childcare Advisory Body**

34. 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 government, providers, unions, industry, community groups, consumers and the general community.

---

<sup>5</sup> Parliament of Australia (1998) Senate Community Affairs Committee into childcare Funding, chapter 6.