



# Inquiry into Childcare and Early Childhood Learning

Productivity Commission

**7 February 2014**

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## Inquiry into Childcare and Early Childhood Learning

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### **Unions NSW**

1. Unions NSW welcomes the opportunity to make a submission to the Productivity Commission's Inquiry into Childcare and Early Childhood Learning.
2. Unions NSW is the peak body for trade unions and union members in NSW. It has over 65 affiliated unions and Trades and Labour Councils representing approximately 600,000 workers across the State.
3. Affiliated unions cover the spectrum of the workforce, stretching from workers in finance to footwear and construction to communications. Unions NSW is the largest member based organisation in NSW.
4. In NSW there are over 280,000 women union members who represent 47% of all union members in the State.
5. Unions NSW convenes a Women's Committee. This is a working committee comprised of female union representatives from Unions NSW affiliates. The Committee meets monthly to discuss issues that women face in the workplace and to develop actions and campaigns to address the same. The Women's Committee has played an active role in the preparation of this submission.

### **Introduction**

6. Unions NSW believes that childcare in Australia should be underpinned by the principles of quality care and accessibility.
7. Unions NSW supports the submissions and recommendations made by the Australian Council of Trade Unions, United Voice and the Australian Education Union.

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8. This submission will comment on the childcare needs of working parents as well as the need for quality, professional and well-paid staff in the industry.

### Recommendations

#### *Recommendation One*

The National Quality Framework for Early Childhood Education and Care should remain in place as the national standard for long day care, family day care, preschool/kindergarten and outside school hour's care. This should include the continued work of each relevant State and Territory Regulatory Authority in assessing and rating the standard of childcare services across the country.

#### *Recommendation Two*

Educator to child ratios, as established by the National Quality Framework, should continue to be phased in across the country.

#### *Recommendation Three*

Childcare workers should be paid professional wages. All funding that was committed by the Federal Government to pay professional wages to childcare staff should remain in place. This funding should be used to pay increases to childcare workers whose employer had signed onto Government agreements for funding. The Federal Government, in consultation with State and Territory Governments, unions and employers should work towards having professional wages introduced across the entire sector.

#### *Recommendation Four*

Government subsidies for childcare should be provided in the form of the Childcare Rebate and the Child Care Benefit (CCB). The Childcare Rebate should be phased out from household incomes of \$150,000 with savings redirected to low income earners in the form of a more generous CCB scheme.

#### *Recommendation Five*

A 'voucher system' should not be introduced as a Government subsidy for childcare in lieu of or alongside a rebate payment.

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### *Recommendation Six*

There should be greater integration between existing Federal, State and Local Government, community and private childcare services. This integration could assist connect services and accommodate for the different childcare needs and work/life patterns of parents, particularly parents who work non-standard hours. This could see the creation of geographical 'service hubs' that provide a range of childcare services.

### *Recommendation Seven*

The Right to Request be strengthened and provide employees with an avenue to appeal decisions made by management and employers. These appeal rights should provide employees with access to the Fair Work Commission for conciliation and arbitration. Fair Work Australia should require an employer to bring evidence regarding what 'business grounds' exist to decline the request and whether these grounds are 'reasonable'. If the employer cannot meet the test, the request should be granted.

### *Recommendation Eight*

Employers should be encouraged to assist employees with their childcare arrangements. This may include incentives for employers to provide subsidised or 'onsite' childcare, or a requirement that employers to meet additional childcare costs if an employee is required to work overtime with limited notice.

## **Survey**

9. Unions NSW conducted an online survey on childcare that asked workers to comment on their use and experiences. The findings from this survey are briefly summarised below and will be used throughout this submission to highlight the importance of quality and accessible childcare.
10. The survey was completed by 512 people; 399 (78%) of the respondents are parents who currently use at least one form of childcare.

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11. Parents were asked what type(s) of childcare they use. The most common form of childcare is long day care (59%), followed by informal arrangements (42%) and before and after school care (30%). The least common forms of childcare are employer provided childcare (.5%) and a nanny (5%).
12. When asked about what parents like about their childcare, parents spoke about the high quality of childcare workers and positive impacts that childcare had on their children and their family.
13. When asked about what they did not like about their childcare, parents spoke of the high costs of childcare and the difficulties they had in balancing work and childcare.

### Quality Childcare

#### The National Quality Framework for Early Childhood Education and Care

##### *Recommendations One*

The National Quality Framework for Early Childhood Educations and Care should remain in place as the national standard for long day care, family day care, preschool/kindergarten and outside school hours care. This should include the continued work of each relevant State and Territory Regulatory Authority in assessing and rating the standard of childcare care services across the country.

##### *Recommendation Two*

Educator to child ratios, established by the National Quality Framework, should continue to be phased in across the country.

14. The Unions NSW survey asked parents to rank what is most important to them about their childcare. 'Quality care by trained workers' was the highest priority for over half of parents. 85% of parents believed it was a 'top three issue'.
15. Defining what 'quality' looks like in a childcare system can be difficult. The National Quality Framework for Early Childhood Education and Care (NQF) clearly lays out the

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criteria of what 'quality' should look like.

16. Academics, educators and industry experts developed the NQF. Such collaboration ensured that the framework took a holistic approach to care, based on research and successfully proven practices.
17. Unions NSW supports the NQF, the National Quality Standards and the assessment of childcare facilities against these Standards as undertaken by the State and Territory Regulatory Authorities.
18. Unions NSW supports the NQF because:
  - It ensures consistency across the country;
  - It is informed by extensive research and consultation;
  - The Assessment of Standards provides open and transparent information about the quality of childcare;
  - It recognises the crucial role that carers play in ensuring quality in childcare.
19. The framework places an emphasis on caregiver qualifications and lower staff to child ratios in childcare.
20. The Unions NSW survey showed strong support for more childcare staff that have professional qualifications. 56% of parents believe that a ratio of 1 carer to 3 children was the right ratio for children under three years old. An overwhelming majority of parents (97%) believed that the continuation of current training requirements for childcare workers was an important issue for them.
21. Unions NSW refers the commission to the United Voice Submission for further comment and recommendations regarding the NQF.

## Investing in childcare staff

### *Recommendation Three*

Childcare workers should be paid professional wages. All funding that was committed by the Federal Government to pay professional wages should remain in place. This funding should be used to fund pay increases to childcare workers whose employer had signed onto Government agreements for the funding. The Federal Government, in consultation with State and Territory Governments, unions and employers should work towards having professional wages introduced across the entire sector.

22. The NQF acknowledges the crucial role that carers play in ensuring quality childcare.

To ensure quality care there needs to be more childcare educators and they need to be professionally trained.

23. Every week, about 180 childcare workers leave the industry. Quality childcare requires investment in childcare workers, both in their training and in increasing retention.

24. If early childhood educators were paid at professional levels that reflected their skills and qualifications, there would not be such a high turnover rate among staff.

25. The Unions NSW survey found that 87% of parents believed that childcare workers do not get paid enough for the work that they do.

26. Unions NSW supports the pay increases for childcare workers that United Voice and the previous Government agreed upon. These pay increases ensured that professional educators would be paid closer to professional wages.

27. The previous Government made a funding commitment to these pay increases and this should continue to be honoured.

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28. It is essential that the Federal Government play a role in subsidising wage increases in the sector. Unions NSW would like to see pay rates that reflect the professional skills of childcare staff and that these rates be extended across the entire sector to all childcare centres. The Federal Government needs to play a role in funding these increases, in order to ensure that childcare remains affordable and accessible to working parents.

### **Accessibility**

29. It is essential that childcare is accessible to parents, particularly working parents who use childcare to enable them to work. The issue of accessibility is several fold and encompasses affordability, location, available places, access to preferred form(s) of childcare, opening hours and/or flexibility in hours/days.

### **Affordability and Government Assistance**

#### *Recommendation Four*

Government subsidies for childcare should be provided in the form of the Childcare Rebate and the Child Care Benefit (CCB). The Childcare Rebate should be phased out from household incomes of \$150,000 with savings redirected to low income earners in the form of a more generous CCB scheme.

#### *Recommendation Five*

A 'voucher system' should not be introduced as a Government subsidy for childcare in lieu of or alongside a rebate payment.

30. The Unions NSW found that 75% of parents pay \$50 or more a day for childcare. Only 3% ( 11 parents) had no expenses. The majority of parents (59%) said that they would increase their use of childcare if affordable, quality childcare was available that better suited their needs.

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31. When asked what they did not like about their childcare arrangements, over half of parents cited the cost of childcare as an issue.
32. If the issue of cost was removed as a factor in decision making, parents would prefer to use long day care (56%). However, 62% of parents would still prefer to use more than one form of childcare.
33. The cost of childcare is a significant issue for many parents. Unions NSW supports Federal Government funded child care subsidies for parents.
34. The Unions NSW survey found that 85% of childcare users received a Government subsidy. The majority received the Child Care Rebate (67%) and 18% received the Child Care Benefit.
35. Unions NSW supports both forms of subsidies, however would like to see greater assistance given to parents on low-incomes and/or low socio-economic backgrounds.
36. When assessing eligibility for the Childcare Rebate, the household income levels of families is not currently taken into consideration, with all parents receiving a 50% rebate. Unions NSW believes the Childcare Rebate should be phased out from household incomes of \$150,000 with savings redirected to low income earners in the form of a more generous CCB scheme.
37. Unions NSW opposes the 'voucher system' of Government subsidy for childcare. The voucher system would provide parents with a set amount of money to spend on any form of childcare.
38. Unions NSW is concerned about a 'voucher system' of subsidy, as we believe it would:
  - Lead to the a proliferation of untrained carers in the home;
  - Undermine quality childcare; and

- Increase Childcare costs.

## **Employer Provided Assistance with Childcare**

### *Recommendation Six*

The Right to Request be strengthened and provide employees with an avenue to appeal decisions made by management and employers. These appeal rights should provide employees with access to the Fair Work Commission for conciliation and arbitration. Fair Work Australia should require an employer to bring evidence regarding what 'business grounds' exist to decline the request and whether these grounds are 'reasonable'. If the employer cannot meet the test the request should be granted.

### *Recommendation Seven*

Employers should be encouraged to assist employees with their childcare arrangements. This may include incentives for employers to provide subsidised or 'onsite' childcare, or a requirement to meet additional childcare costs if an employee is required to work overtime with limited notice.

39. Many parents access childcare in order to go to work. Workplaces and employers therefore have a huge influence on how much and what type of childcare parents use.

40. Balancing workplace and childcare responsibilities is a big issue for many working parents. Workplaces and employers can play a very important role in assisting parents find that balance. This may be through direct assistance with care, or it may involve the employer being more accommodating of employee care needs.

41. Unions NSW believes that workplaces should have an obligation to accommodate parents caring responsibilities if it is feasible for the business. This will assist parents balance their dual roles as workers and carers, and be able to access the childcare service that is best suited.

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42. Under the National Employment Standards, employees with caring responsibilities of children under school age have the right to request flexible working arrangements to meet their caring needs. New parents also have the right to make a request to the employer for an additional 12 months of unpaid parental leave. This is commonly referred to as 'the right to request'.
43. Employers must consider these requests and respond in writing. If an employer denies a request they are not required to explain why, except to say that the request is unfeasible on 'reasonable business grounds'. Workers are provided with no avenue to challenge these decisions.
44. The 'right to request' has been operational for four years and in this time unions have found that employer decisions on the 'right to request' are open to employer bias and discrimination.
45. Unions have also reported that they no longer advise members to access the right to request when seeking flexible working hours, as it is not enforceable and provides no guaranteed rights.
46. Unions NSW submits that parents should be able to appeal decisions regarding the 'right to request'.
47. Only a small group of parents receive assistance with childcare from their employer (8%). Some examples of employer provided assistance includes:
- Childcare centre based at work that is 'slightly subsidised';
  - Salary sacrifice arrangements for childcare fees;
  - Childcare payments paid for when they are required to work unrostered overtime;
  - Employer allowed flexible hours to facilitate with picking up and dropping off children to childcare;

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- Employer provided 'carer's room' in the workplace that can be used for temporary and short term care;
- Onsite childcare;
- Employer has met the additional costs of childcare if an employee is required to travel overnight.

### **Greater connectivity between different types of care**

#### *Recommendation Eight*

There should be greater integration between existing federal, state, local government, community and private childcare services. This integration could assist connect services and accommodate for the different childcare needs and work/life patterns of parents, particularly parents who work non-standard hours. This could be encouraged through the creation of geographical 'service hubs' that provide a range of childcare services.

48. The Unions NSW survey found that mixing different childcare services is common, with 52% of parents using two or more different types of childcare.

49. Of the 167 parents who indicated that they used informal care (grandparents, friends, neighbours) – 88% also use another form of care.

50. Parents currently rely on a number of forms of childcare. Integrating existing methods of care will ease with the transition between different forms of care, taking significant childcare pressures off parents, particularly those who are required to work non-standard hours.

51. The development of 'service hubs' in childcare would provide a geographical space that hosts a range of childcare services that meet different needs. This may include: long day care, pre-school, before and after school care, occasional care, family day care, school holiday care and/or extended hours care. It may also include related support services such as maternal and children's health, mothers groups, parenting classes and/or community centres. All these services would have open lines of

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communication, and be able to assist in the transition between different forms of care depending on the needs of the child and parents, including on short notice.

52. For example, if a shift worker with a rotating roster would be able to utilise childcare services at a 'service hub'. Here they would be able to drop their child off for care and depending on their hours could have the child spend time in the most relevant form of care – occasional care, after hours care, long day care, preschool, or a combination of these options. This option would also ensure that regardless of what option(s) was selected; childcare standards would remain consistent.

53. The integration of current services would maximise the use of resources dedicated to childcare.