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5.2 Who is looking after our children?

Quality child care is of critical importance, not only in allowing labour force participation of parents and carers, but also in providing lifelong influences on the developmental outcomes of children. Quality child care is an investment to ensure that all children are given the best possible start in life. The early years of life have a significant impact on developmental outcomes for children across the lifespan. Quality child care and preschool programs have been found to promote cognitive and social development in addition to supporting workforce participation (Warren & Haisken-DeNew 2013).

The increased labour force participation of women and an increase in one-parent families with dependent children has made access to, and affordability of, child care a significant issue for Australian families and governments. Overall, rates of formal child care usage over the past 10 years have remained relatively unchanged; however, the main reason for parents and carers seeking child care for their children has become more likely to be for work-related reasons.

Currently the Australian Government offers a range of types of financial support to assist parents and carers with the cost of child care, including the Child Care Benefit, which assists with the cost of child care services, and the Child Care Rebate, which assists with other out-of-pocket expenses associated with work-related child care services. Additionally, in recent years the Australian Government asked the Productivity Commission to undertake a review of early childhood education and care, which sought to make child care more affordable, flexible and accessible for Australian families. The inquiry has been completed and a final report was provided to the Australian Government in October 2014 and released on 20 February 2015. For more information, see www.pc.gov.au/inquiries/completed/childcare.

Early childhood education and care policy context

The National Quality Framework for Early Childhood Education and Care sets out a uniform national approach to quality assessment and regulation of early childhood education and care. It applies to most long day care, family day care, preschool and kindergarten, and outside schools hours care services. The framework includes a National Quality Standard which provides a national benchmark for measuring the quality of education and care services and a quality rating and assessment process that measures against the National Quality Standard.

Additionally, associated Early Childhood Workforce Initiatives provide a range of programs designed to support, train and retain an experienced and qualified child care and early learning workforce.

In 2014, the Australian Government and all states and territories commenced a review of the National Quality Framework for Early Childhood Education and Care. The review is aimed at finding what has worked well, any areas for improvement, and other consequences of implementation (Department of Education 2014b).

Trends in child care

In 2014, an estimated 48% of all Australian children aged 0–12 (1.8 million children), regularly attend either formal or informal care (see Chapter 3 'Children in child care and preschool programs' for more details). Of these children, 919,400 attended formal care and 1.4 million used informal care (ABS 2015). Formal care is before or after school care programs, long day care and family day care; examples of informal care are care provided by a grandparent, brother or sister, non-resident parent, other relative or other person. (Further details on formal and informal care can be found in Chapter 3 'Children in child care and preschool programs'.)



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The Household, Income and Labour Dynamics in Australia (HILDA) survey showed that the need for child care remained relatively unchanged over the 2002–2011 period, with the proportion of all children for whom any child care is used remaining steady at around 59%.

The reasons for seeking child care, however, changed over that period. Child care sought for work-related reasons increased from 42% to 46% of all families. Of these families, couple families seeking work-related child care increased from 42% to 47% and one-parent families increased from 39% to 44%. The HILDA survey also showed that the proportion of families for which non-work-related child care is used dropped from 17% to 13%. This drop was similar for both couple families and one-parent families. Work-related child care was more likely to be used by couple families than one-parent families in 2011 (47.0% compared with 43.7%). Non-work-related child care was used more frequently by one-parent families than couple families (17.3% compared with 12.4%) (Hahn & Wilkins 2014).

For the majority of children not yet at school, a parent or grandparent was the most common form of child care, accounting for 72% of all informal care. Of those who attended formal care, a long day care centre (62%) was the most frequent form of child care accessed (Hahn & Wilkins 2014).

Employment status and family composition play an important role in the type of care attended by children. Figure 5.2.1 shows the levels and types of child care accessed by couple families and one-parent families, by employment status. The data come from the ABS 2014 Childhood Education and Care Survey. This survey showed that the reasons parents accessed child care were: for work and study reasons or if they were looking for work (73%); benefits associated with preparing the child for school (18%); and for personal reasons including entertainment, social reasons, or to give parents a break (8%) (ABS 2015).

All families in all forms of employment are more likely to use grandparents for informal care than other types of care. Grandparents provide informal care to nearly a third of both working couple families and working one-parent families.

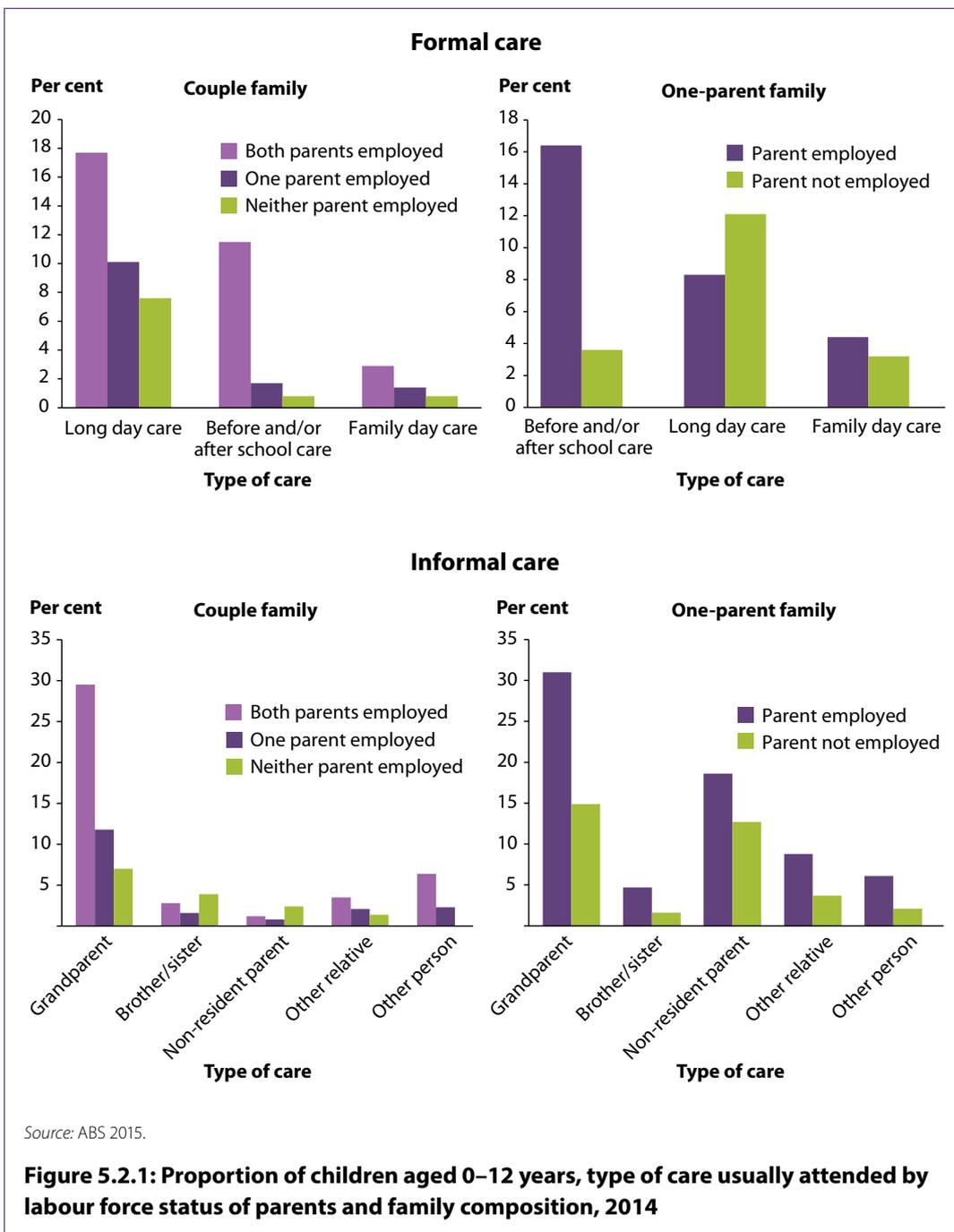
Among couple families, those with both parents employed are more likely than couple families of other employment status to use all forms of formal care—long day care, before and/or after-school care, and family day care (18%, 11% and 3% of families respectively). Employed one-parent families are more likely to use before and after-school care than long-day care (16% compared with 11%) (ABS 2015).

Among Aboriginal and Torres Strait Islander children aged 0–12 years, an estimated 56% use formal and/or informal child care. Child care was more frequently used by children aged 0–4 years (61%) than children aged 5–12 years (53%).

According to the 2008 National Aboriginal and Torres Strait Islander Social Survey, nearly 1 in 2 Aboriginal and Torres Strait Islander children are likely to be attending informal child care, with grandparents the most-used informal care provider for 32% of 0–4 year olds and 23% of 5–12 year olds (ABS 2010).



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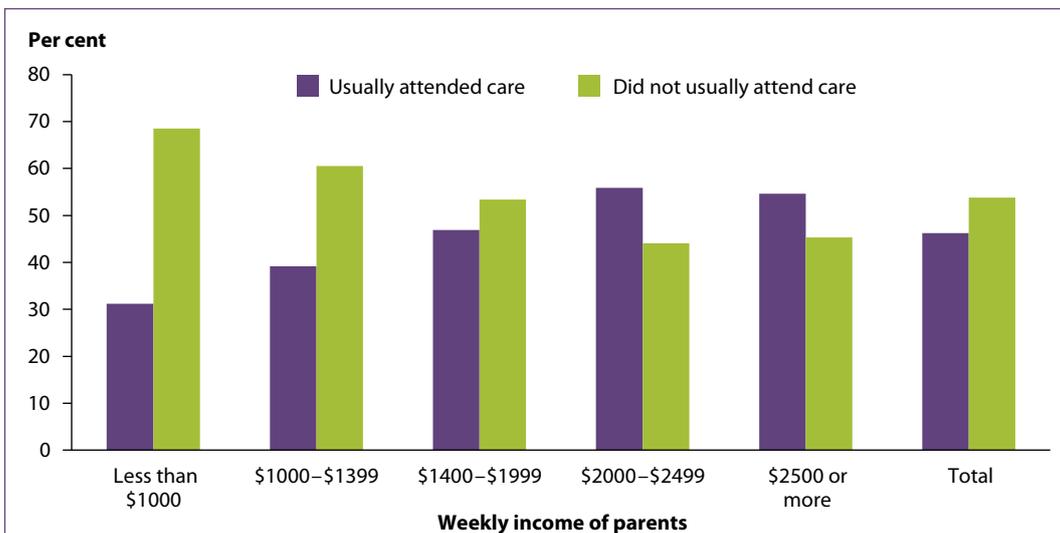


Cost and accessibility of child care

A strong association between parents' weekly income and the use of child care is seen both within couple families and one-parent families. Children in couple families for whom the weekly income was less than \$1,000 were less likely to attend child care than those in families where the weekly income was \$2,500 or more (Figure 5.2.2).



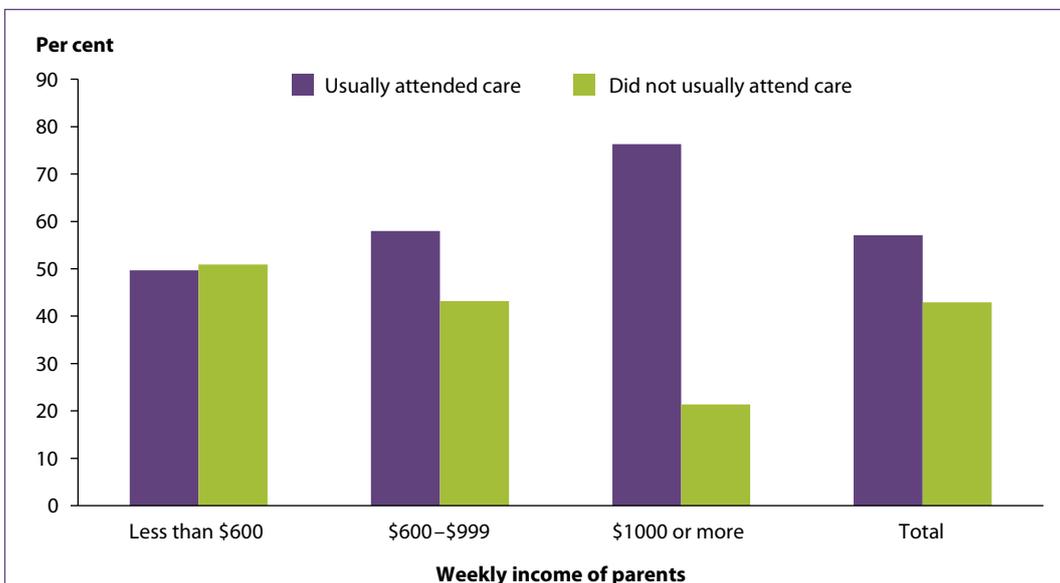
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Source: ABS 2015.

Figure 5.2.2: Proportion of children aged 0–12 years in couple families who usually attended child care, by weekly income of parents, 2014

Children in one-parent families were more likely to be attending child care where weekly income was above \$600 per week (Figure 5.2.3).



Source: ABS 2015.

Figure 5.2.3: Proportion of children aged 0–12 years in one-parent families who usually attended child care, by weekly income of parent, 2014



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The 2014 ABS Childhood Education and Care Survey found that the average amount of time spent in child care by Australian children who attended any type of care was 18 hours per week. Approximately 29% of children who attended formal care were likely to attend for 10–19 hours per week. Only 9% of children were likely to attend for 35 hours or more per week (ABS 2015).

The National Centre for Social and Economic Modelling (NATSEM) has indicated that the demand for child care has increased by 77% since 1996, with grandparents providing most of the additional care required. The increase in demand has also seen costs of child care escalate, particularly for long day care. For example, some of the most expensive areas of Australia report a cost to families of up to \$170 per day. This amount can be more than a day's wage for a low-income woman (Phillips 2014).

NATSEM also estimates that the gross cost of child care has increased faster than the consumer price index over the past 10 years (10% per year compared with 3% per year), which has resulted in a 150% increase in the real cost of child care. While the Australian Government subsidises families for the cost of child care, increases in the subsidies are thought to have a direct impact in terms of price increases passed on to families by the provider (Phillips 2014).

Workforce participation of parents

Based on data from the Household, Income and Labour Dynamics in Australia (HILDA) survey, from 2001 to 2010, differences in labour force participation by parents are fairly evident by family type. For couple families, fathers in couple families (67%) are the most likely of all parents to be in full-time employment, and mothers in couple families are more likely to work part-time (37%). In lone-parent families, 43% lone fathers are most likely to be in full-time employment while 40% of lone mothers do not participate in the labour force at all (Kecmanovic & Wilkins 2013).

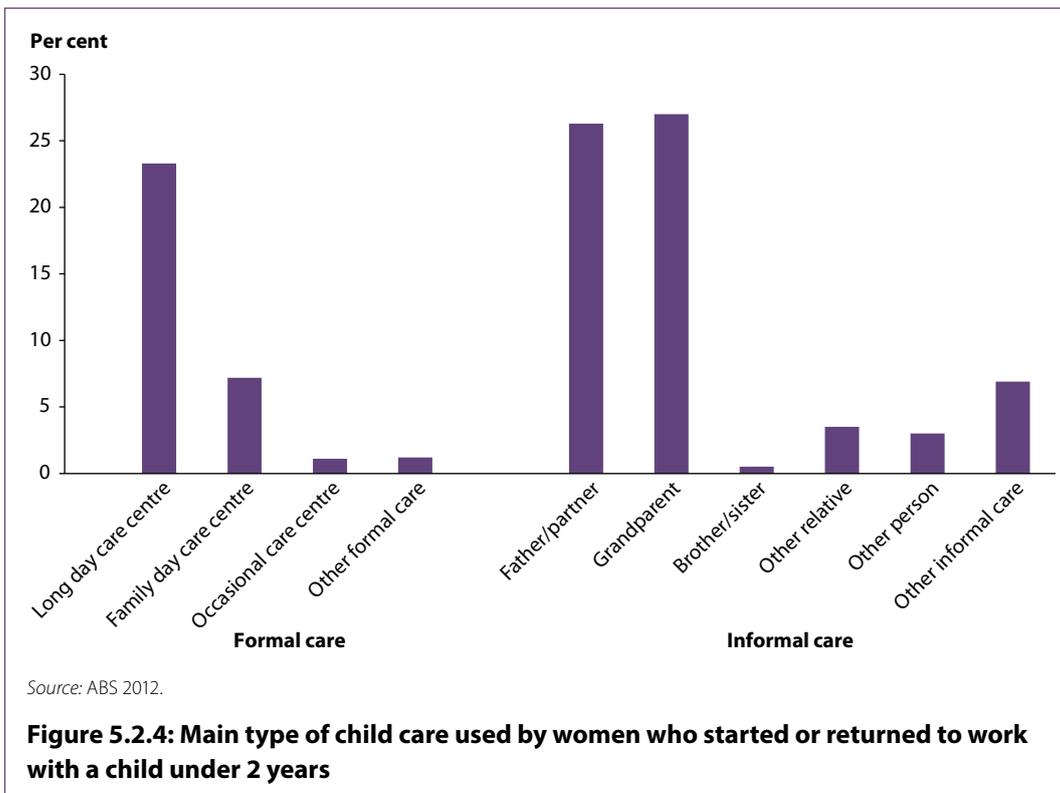
The labour force participation of fathers in couple families has remained relatively consistent since 2001; however, the rate of lone fathers who are employed full-time fell from 48% to 43% and the proportion of lone fathers who are not in the labour force has conversely increased from 25% to 37%. Mothers in couple families are more likely to be participating in the labour force than they were in 2001 (69% compared with 64%). There has been an increase in lone mothers in full-time work since 2001 (30% compared with 27%), while part-time work for lone mothers has remained fairly consistent (24%) (Kecmanovic & Wilkins 2013).

After the birth of a child, women state various reasons for returning to the workforce. The most common reason cited by women returning or starting work up to 2 years after giving birth was financial reasons (73%), followed by the need for adult interaction/mental stimulation (54%), and to maintain their career/skills (51%). One-third of women return to work or start work when their child is aged between 7 and 12 months old (ABS 2012); however, for some women the financial benefit resulting from returning to work is negated by the cost of child care and increases in tax payments, particularly as hours of work increase and hours of child care required increase (Phillips 2014).

Upon a mother's return to work with a child under the age of 2, the most common form of child care was informal care, with 67% of women using this form of care compared with 33% opting to use formal day care. Overall, the main sources of care were grandparents (27%) the father of the child or mother's partner (26%) and long day care centres (23%) (Figure 5.2.4).



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According to the Pregnancy and Employment Transitions Survey conducted in 2011 (ABS 2012), 67% of women returning to work within 2 years of having a child indicated that they had flexible work arrangements that allowed them to assist with the care of a child, including part-time work, working from home, flexible working hours and job sharing. Flexible working arrangements were available to 95% of women returning to work in the first 2 years after the birth of a child. Additionally, 50% of those women's partners indicated that they were also able to access flexible work arrangements to assist with the care of the child.

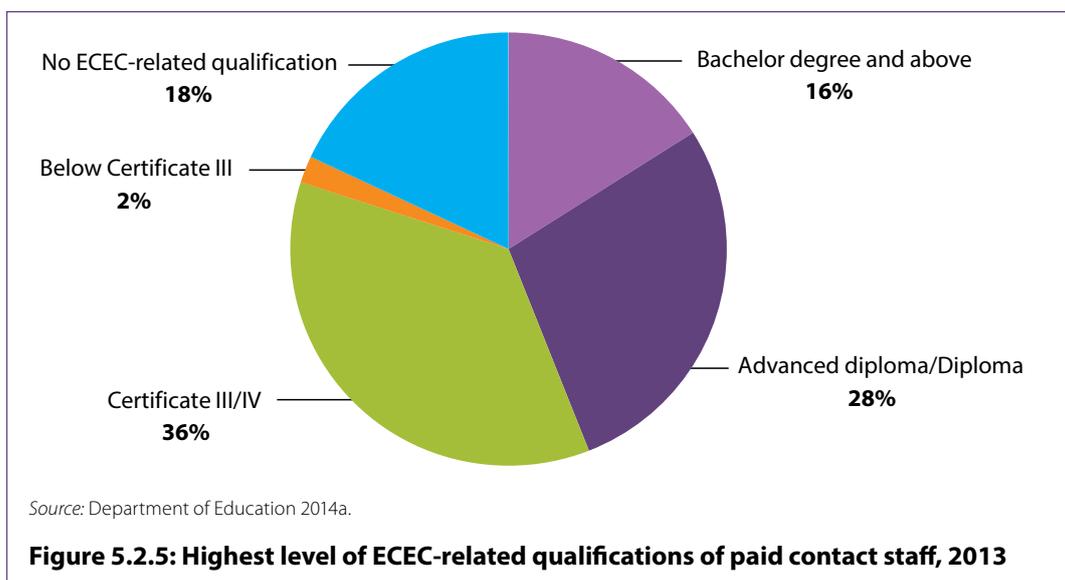
There has been an increase in availability of, and access to, child care over the past 3 years. However, a significant number of parents and carers have indicated that their current care arrangements do not meet their current needs or will not meet future needs. An estimated 21% of all children aged 0–12 have unmet child care needs. Of those children in couple families whose children usually attended preschool or formal care, 19% (177,600) indicated that additional care was required, and in one-parent families, 21% (39,500) indicated that additional preschool or formal care was required. Of couple families with children who currently attended informal care only, 3.5% (24,400) required preschool or formal care now, and of all one-parent families whose children attended informal care only, 10% or around 21,900 families estimated that they additional preschool or formal care now (ABS 2015).



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Child care workforce

The 2013 National Early Childhood Education and Care Workforce Census shows that about 153,200 staff are employed in the Early Childhood Education and Care (ECEC) sector, with the largest proportion of these staff being employed in long day care services (50%). Preschools accounted for 18% of ECEC staff, before and/or after school care 12%, vacation care 100%, and family day care 9%. The number of people employed in ECEC has grown by 11% since 2010 and services are estimated to have grown by nearly 6%. The number of children in care is estimated to have grown by 15% (Department of Education 2014a)



Staff employed within this sector are well qualified (Figure 5.2.5), with 82% in 2013 having an ECEC-related qualification, compared with 70% in 2010. Currently, at least 16% of ECEC staff have Bachelor degrees (Department of Education 2014a). Despite the high level of qualifications within this field, salaries for ECEC workers are relatively low, with little difference between the pay levels of the most qualified and experienced workers and the least qualified workers. Critical shortages of staff exist in this sector with many leaving due to relatively low pay rates and poor conditions (Harrington & Jolly 2013).

(For additional information on enrolments in child care and preschool, see Chapter 3 'Children in child care and preschool programs'. For additional information on the community workforce, see Chapter 2 'The changing face of the welfare workforce'.)

What is missing from the picture?

Data on the quality and use of early childhood education programs, and associated lifelong outcomes, are limited and difficult to capture. Linking data on children who access quality early child care/education and informal care with later school achievements and life outcomes could provide very useful insights into the efficacy of early childhood education and care (see Box 4.8.1, 'Investigating pathways using data linkage' for more information).



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Where do I go for more information?

More information regarding early childhood education and care can be found at the ABS website www.abs.gov.au and the Department of Education website www.education.gov.au.

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