

A lift in the wellbeing of infants in childcare makes childcare  
an economic service - in some situations wellbeing is less

A submission to Childcare and Early Childhood Learning  
Productivity Commission

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## Introduction

The Commission is reporting and making recommendations to the federal government on the contribution of childcare to ...child development. Childcare has different transaction characteristics to a standard transaction. The child uses the childcare that is purchased by parents and the government. The beneficiary does not make the assessment for his or her self. The child is the focal point. For a transaction to satisfy the economic definition of an exchange, there has to be gains from the exchange for the parties. The party receiving the service and the party receiving the money, in exchange, gain. Wellbeing increases for each party for the transaction to be economic. Childcare is a transaction for four parties – the infant or child and the parents, the government and the provider. Free time is purchased by parents and the government for a parent to work in most situations. The receipt of free time is usually satisfied.

The wellbeing of the infant or child in childcare is better or equal to the wellbeing of the infant or child in parental care in some situations. The wellbeing of the infant or child in childcare is less in some situations compared to the wellbeing of the child or infant in parental care. In these situations, childcare does not satisfy the criteria to be an economic transaction because the wellbeing of the infant or child is less after the transaction. It is minimally less for pre-school children. The situations in which well-being is less are varied. Well-being from health is less and to a lesser extent, vocabulary, communication and acceptable behavior is less.

## Lower health

In the longitudinal study of Australian children, exclusive parental care is associated with better infant and child health outcomes after adjusting for socio-demographic and parental characteristics. Infants and children who are in centre-based childcare have lower health outcomes than infants and children who spend no time in centre-based care. Infants and children who are in centre-based childcare:

- for more than 21 hours per week have 2.2 times the odds of low health outcomes,
- for 1 hour to 8 hours per week have 1.5 times the odds of low health outcomes, and
- for 9 to 20 hours per week have a 1.3 times the odds of low health outcomes. <sup>i</sup>

The age of the infant makes a difference. Infants aged 14 weeks to 26 weeks have 30 per cent more low health outcomes. There is a lower risk of low health outcomes for infants and children who are cared for by relatives compared to infants cared for by parents.

Low health outcomes are more prevalent for infants and children at long day care centres, at and informal and formal care together – the odds ratios are 2.2:1 for each. A child and an infant at family day care and at family day care with long day care has the odds of 1.6:1 of low health outcomes compared to an infant or a child with parents. The odds of low health outcomes for a child at informal non-relative care or at informal non-relative care with relative care are 1.4:1 and for a child in informal care is 1.3:1.

### More acute infections

Infants in long day care have the more acute infections than other infants. Infants who spent 21 or more hours per week at a long day care centre had the lowest health outcomes of infants receiving care from a person(s) other than a parent. The odds that an infant at a long day care centre will have an acute infection, such as a gastrointestinal, ear and other infections, are 1.9:1. In other care, the odds are less than the odds of an infection at home. An infant who spends less than or equal to 20 hours in a relative's care has a lower infection risk and higher odds of a better health outcome than an infant receiving non-parental care. An infant who starts care at less than 40 weeks has higher odds of getting an infection. An infant who starts:

- from 27 weeks - 39 weeks has the odds of 1.3:1 of having an acute infection.
- at 14 weeks - 26 weeks has the odds of 1.1:1 of having an acute infection and
- after 40 weeks, has less odds than an infant in parental care.

The chance of an acute infection is more for any hours of care. An infant who is at centre-based care for 1 to 8 hours per week has the odds 2.1:1 of getting an acute infection, an infant cared for over 9 - 20 hours per week has 1.5:1 odds and an infant cared for over 21 hours or more per week has 3.2:1 odds of having an acute infection. The infection rates are independent of socioeconomic and parenting characteristics.

### Communication is equivalent to children at home

Parents whose infants receive care with relatives are the most satisfied with the infant's communication. There is no consistent association between centre-based care and parental characteristics, and communication. Communication of the child is less in the situation of more than one child in the family.

### Vocabulary and receptive vocabulary of pre-school children is less in some situations

Pre-Year 1 and preschool programs lift receptive vocabulary and pre-Year 1 programs lift numeracy and literacy. Receptive vocabulary drops as weekly hours of long day care increase to 30 or more hours a week. The vocabulary of a child at pre-Year 1 early learning or early learning with other care is likely to be less than for a child not at pre – Year 1. The odds ratio is 1.2:1. A highly educated mother is associated with the child having less vocabulary. The odds ratio is 2.9:1 compared to a child with a mother whose education is to Year 10. For a child with a mother with a trade certificate, the odds ratio is 1.4:1.

### Starting childcare at an early age increases self-identification

Children who start care under one year of age have a higher understanding of 'Who am I?' than children who enter care at 2-3 years of age. Boys have a lower level of self-identification. A child of a single parent has a lower level than others.

### Teachers abilities affect social ratings

A child is more likely to be considered by a teacher to be socially developed when teachers have a degree and more experience and the staff per child is higher. Teachers consider that boys have more behavioural problems. The odds ratio is 2:1. The odds ratio that teachers consider indigenous to have behavioural problems is 1.6:1. Problems are noted by teachers when there are two or more regular arrangements. When teachers were university qualified and offered small group activities mothers rated behaviors better. Behavioural problems recognised by the mother are not significant overall.

## Childcare that lifts wellbeing is an economic service

Childcare is an economic service and produces an increase in wellbeing in many situations for children. The effect on wellbeing varies according to the length of hours of childcare and category of childcare. Children that develop at least equivalently to the situation that produces the best outcome have the best child development from childcare. Childcare provides an economic service in the situations that wellbeing is at least as good as for the situation that has the best outcome. The effect on wellbeing is improved by solutions for infections, to lift health outcomes, and to increase vocabulary for children in some situations. Wellbeing increases when 21 hours or less per week is spent in childcare. Wellbeing increases in some situations when a relative cares for the infant or child. Childcare that lifts wellbeing of the infant or child is an economic service.

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<sup>i</sup> The data are from Section .3, *Childcare and early education in Australia – the longitudinal study of Australian children*, Social Policy Research Series no. 40. <http://www.dss.gov.au/about-the-department/publications-articles/research-publications/socialpolicy-research-paper-series/number-40-child-care-and-early-education-in-australia-the-longitudinal-study-of-australian-children>