



**SUBMISSION TO  
PRODUCTIVITY COMMISSION INQUIRY INTO  
CHILDCARE AND EARLY CHILDHOOD LEARNING**

**Prepared by  
COTA National Policy Office**

**February 2014**

## COTA Australia

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## INTRODUCTION

COTA Australia is the national policy vehicle of the eight State and Territory Councils on the Ageing (COTA) in NSW, Queensland, Tasmania, South Australia, Victoria, Western Australia, ACT and the Northern Territory.

COTA Australia has a focus on national policy issues from the perspective of older people as citizens and consumers and it seeks to promote, improve and protect the circumstances and wellbeing of older people in Australia. Our submissions always incorporate the views of our members developed through various consultation mechanisms.

The terms of reference for this inquiry focus on the role of childcare in facilitating increased workforce participation, particularly of women, and in optimising children's learning and development. COTA's interest is in the role that grandparents play in providing child care for their grandchildren and to ensure that policy recommendations take account of that role.

The Australian Bureau of Statistics (ABS) Survey of Child Care<sup>1</sup> shows that 937,000 children under the age of 12 receive child care from their grandparents, which is around a quarter of all children and nearly half of all children who usually attend some form of child care. Grandparents' contribution to child care is constant across the ages but there appears to be a definite preference for grandparents to provide before and after school care as they provide care for 425,000 children between 6 and 12 years of age, compared to the 237,000 children who attend formal before or after school care.<sup>2</sup>

For this inquiry we put out a specific request to our members and other older people to tell us about their experience in providing child care to their grandchildren. We received responses from across the country and we would like to thank the people who took the time to give us their stories.

In this submission we look at why grandparents offer or are asked to provide child care and why this form of care is preferred to formal care. We cover the importance of workforce participation, flexibility, affordability and quality of care as these emerged as the most important issues.

## ISSUES

### ***Workforce participation***

The terms of reference of the inquiry ask the Productivity Commission (the Commission) to look specifically at options for child care and early childhood learning that support workforce participation, particularly for women.

It is clear from the people who contacted COTA that the primary reason grandparents provided regular child care for their grandchildren was to enable their adult children to either study or work, or in some cases do both. For example Hugh told us that he provides care three days a week as:

*"Both the parents work. The father fulltime and the mother part-time: three working days and weekends. The couple is paying off a mortgage on a small home unit. Both parents are studying for tertiary qualifications".*

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<sup>1</sup> ABS, 2012 Childhood Education and Care Australia June 2011 Cat No 4402

<sup>2</sup> ABS, 2012 Childhood Education and Care Australia June 2011 Cat No 4402

Ron's story relates to the assistance they provided to their son who was a single parent:

*"My wife and I made a substantial commitment to assist in the care of our two grandchildren over the last three years. For one year we moved from Newcastle to live with our son in Canberra - solely to assist with childcare. And for two years my wife travelled to Canberra for one week every a month – solely to assist with child care."*

It has been the case for a long time, particularly for grandmothers, that grandparents provide childcare as they have often already left the workforce and so had the capacity to do this. However, in today's world which sees more women in the workforce and women working longer, there is not such a big pool of grandmothers available to provide the care. A number of grandmothers told us that they had given up their jobs to care for their grandchildren.

Christine told us:

*"My husband, 69, and I, 66, look after our grandchildren, usually 2 but sometimes up to 4, on two days a week, while their parents work, usually from 7.30 to about 4. I left my part-time job to care for the first grandchild."*

Others, such as Liane, told us:

*"I switched from full time to part-time work to be able to provide care and be available when the children are sick".*

While the decision to reduce or cease formal work is a personal one and families make the decisions about what is important to them, it does show that the total impact on workforce participation is not as positive as first indicated. One of the Government's other policy objectives is to encourage workforce participation by older people. If that is to be achieved then the barriers to accessing formal childcare need to be addressed to allow both grandparents and parents to work, if that is their preference.

For some like Diane there was no real choice:

*"Child care was so expensive and did not fit in with my daughter's study and work needs so if she was to have the opportunity to get a better job and future then I needed to provide the care. I miss my job."*

Older women who give up work prematurely to look after grandchildren are also sacrificing some of their future retirement income because they miss out on being able to build up their superannuation balances. Women tend to enter retirement with significantly lower superannuation balances than men due to lower wages and breaks in employment; premature exit from employment to offer child care exacerbates this trend.

COTA believes there needs to be action to address some of the reasons why this informal care is used so much. There are clearly both losses in productivity from women leaving the workforce and the potential for increased government expenditure through aged pension payments due to low superannuation balances.

### ***Flexibility***

Grandparents overwhelmingly cited the lack of flexibility in formal care as one of the reasons they provided care. They identified the lack of formal care outside of regular business hours, particularly weekends, as a shortcoming in the system and as the reason they had offered/been asked to help. People who need child care out of regular hours often use a mixture of private babysitting and informal care, and those without strong family support struggle.

Another reason many grandparents gave for providing child care is when the children are sick and the parents are in jobs where it is difficult to take time off. For some parents, particularly sole parents working in insecure employment, taking time off to care for a sick child is very expensive in terms of income lost and potentially losing the job completely.

Sometimes this emergency care is at quite a cost to the grandparent as Liane told us:

*"I switched to a casual job so I had the flexibility to look after the grandchildren when they got sick."*

COTA believes that more needs to be done to increase the provision of out of business hours care. This could be done by making it a requirement of approved provider status or increasing the level of subsidy for this type of care to make it economically viable for the child care provider and affordable for the parents. An alternative would be to have special out of hours providers that people could use; this approach is suboptimal for the child as it would mean a different environment, different staff and continuous adjustment required from the child.

The Commission has been asked to look at possible models for increasing the amount of in home care and this certainly has the potential to provide more flexible care, provided the funding is appropriate. COTA urges the Commission to include the provision of out of hours care in any recommendations it makes on in home care.

### ***Affordability***

A number of our respondents cited providing financial assistance to their children as a reason for offering to help with child care. It was seen as one way that parents could help their children get ahead with their mortgages, particularly when there is more than one child in the family or when the parents' incomes are relatively low.

Clearly families are feeling the financial pressure of paying for child care and are looking for lower cost options. Whilst many grandparents indicated they enjoyed looking after their grandchildren, some said that if child care were more affordable they would happily give up the role.

COTA believes the level of the rebate and benefits need to be reexamined. This examination should look not only at the amount of the rebate but the differential between the rebate for approved and registered care and the number of hours that can be claimed. People's working hours are getting longer and when travel times are also included they need to use child care for long periods each day.

## **Quality**

Many families use informal care, including grandparents, because they believe it is better for the child. Grandparents have expressed a strong view about wanting to avoid the use of formal before and after school care and vacation programs by their grandchildren

Many grandparents seem to have a low opinion of formal child care, particularly long day-centre based care, referring to it as “institutional care” and making statements like this one from John:

*“We suggested this arrangement when we found that the child, who was in a childcare institution, frequently appeared with illness and minor injuries.”*

Obviously some families have had poor experiences and have sought family help to avoid using services in the future. Others have not used any formal care but from word of mouth information, the internet and from other sources, they have formed strong views on the quality of care and do not wish to try it.

It was clear that many of the people who responded to us did not have a good understanding of the quality framework for child care and that many were acting on out of date information. There is a need for more information about what child care can offer, particularly around early childhood education and development. Child care services also need to be encouraged to engage with grandparents who are involved in their grandchildren’s lives by providing ad hoc care or even care on a regular basis so there is a greater understanding of the roles they each play and a desire to work in the child’s best interests. Many grandparents reported that child care centres did not want to engage with them.

The Commission has also been asked to look at ways to improve early childhood learning and development. Given the important role of grandparents in some children’s lives, it is important that grandparents understand their role as educators. Some have expressed a desire to have a better understanding of contemporary parenting and educational practices, looking for courses and assistance. Elizabeth had this to say:

*“I enjoy immensely looking after my grandchild but I feel my doing this is not recognised by the Government like perhaps it should be. It is a very important position and I do not take it lightly. Before she was born I completed a ‘Grandparent’s Course’ run by the Royal North Shore Hospital on modern parenting techniques, and I have also completed a St John’s Ambulance First Aid course.”*

*“Just because she is my grandchild it should not be looked down on as “well, it’s not really a job, she’s just looking after her grandchild”. Well actually, I feel that I am not just looking after my grandchild. I am also her teacher as every single day we have together she is learning, whether it is water play, going for a walk, eating her meals, bed time rituals, or just general playing. I always try to encourage her to learn from these things. We also do cooking classes together and I teach her “safety in the kitchen” and hygiene. So I believe my position as a Grandparent caring for my granddaughter should be recognised as also being a teacher as I am constantly on my toes all day with her and I feel that at 62 years of age this is quite a big thing to do.”*

*“Other things the Government could do that would help me would be to do an updated course or even some literature like my daughter got from the hospital about the way children are being educated today. I am always conscious about teaching my granddaughter and hoping that I am*

*teaching her things in the correct, accepted way as I'm aware that things change over the years. For example, when my granddaughter starts to write I would like to write with her and I would appreciate some leaflets or anything to follow to make sure I am guiding her the correct way."*

COTA is recommending that the Commission look at ways to use the resource that grandparents provide to assist with early childhood development. We believe there should be more funding available for the type of course Elizabeth refers to and that consideration should be given to other ways grandparents can be supported - through resource centres, on line materials, grandparent play groups with a support worker and drop in centres.

## RECOMMENDATIONS

It is clear from both the data and the responses we received that grandparents make a significant contribution to child care. What was also clear from the responses we received was that many grandparent do it willingly and derive much pleasure from it as these comments from John and Christine clearly show:

*"It's a pleasure to do and if we were starting over we'd make the same decision"* (John)

*"I feel very lucky to have the time shared with my grandchildren"* (Christine)

What is also clear is that some grandparents, usually grandmothers, make significant sacrifices to provide this care and so we should not take for granted that this contribution will always be forthcoming. We need to put policies in place that nurture grandparents who provide this care and encourage them to keep doing it.

To address the issues that grandparents have raised COTA is calling for

- An increase in occasional childcare and after school care to provide respite to grandparent carers and to cover care when grandparents are ill or on holidays;
- More flexible childcare to provide for parents who work shifts or outside of the standard business hours and rely on grandparents to pick up the care;
- Improved access and greater affordability of childcare to reduce the pressure on grandparents to provide care ; and
- More resources for grandparent carers such as courses on modern early childhood development and support services so that they are more confident in their role as early childhood educators.

Above all we want to see the role of grandparents acknowledged; Elizabeth put it clearly when she said:

*"Caring for my granddaughter is the most rewarding and important job I have ever had in my working life. It would be nice if somebody other than me, my daughter and son-in-law also thought so".*