



Women's
Electoral
Lobby (Aust)

Women's Electoral Lobby Australia

Submission in Response
to

The Productivity Commission

Issues Paper November 2010

Early Childhood Development Workforce Study

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Introduction

Women's Electoral Lobby Australia (WELA) has had long term involvement in the development of policies and programs in early childhood services. WELA is concerned to ensure good policy both from the point of view of the families using the services, or wanting to, and from that the largely female workforce providing them. We are committed to ensuring there is access to quality services at affordable costs, run by well paid and well qualified staff, with good working conditions.

While we welcome the current COAG moves to increase the national mechanisms for ensuring quality of care and improved qualifications and ratios of staff, we are concerned that these changes do not adequately look at flaws in costs and staff pay. The rise in basic qualifications does not, for example, carry improved pay rates. Turnover of lower level staff is high, as they earn so little and extra staffing, while welcome, is adding to fees because the service providers are able to charge what they can. Further, there is no change proposed to subsidise services so they will become less affordable to lower income users.

Current fee levels are already high, with daily rates between \$70 and \$120, and in most areas there is little real choice as vacancies are often in the wrong areas, on wrong days or for the wrong age groups. The fee relief system is assessed on joint incomes so many women spend most or all their earnings on care. As a result, the costs of care and its quality are serious issues for when it comes to participation and choice. WELA realises that this is not the issue of concern to the PC but notes these questions as the basis for many of its comments.

Looking at the terms of reference below, WELA notes the connections to the above points. If there are inadequate pay rates, there will be a turnover of workers and those services that pay least will miss out.

Terms of Reference

The Commission is required to consider and advise on the:

- *current and future demand for the workforce, with particular regard to the skills required to meet society's needs*
- *current and future supply of the workforce, in terms of numbers, knowledge and skills*
- *workforce composition that most effectively and efficiently delivers desired outcomes*
- *appropriate directions and tools for workforce planning and development*
- *factors of notable significance for that particular workforce.*

In addition, the Commission is asked to consider:

- *whether current sectoral and jurisdictional boundaries limit innovation and flexibility in workforce planning, development and practices*
- *factors that impact on building Indigenous workforce capability.*



It is important to emphasise that the study is about the ECD workforce, rather than ECD policy more broadly. However, the Commission may also consider broader policy questions where they overlap with workforce considerations.

WELA notes that there is relatively limited data on how the child care sector differs from other types of services. Care choices and use are often based on the relationships between parents, staff and children and therefore moving children because of price is not common or desirable.

WELA accepts the broader definition of the sector and the inclusion of related services types and notes that these broader areas have feminised and underpaid workforces. WELA notes also that much of the delivery of services is actually done by unqualified and under qualified staff as underpins the following statistics:

There were approximately 72 200 persons (in full-time equivalent terms) working in childcare services in 2008-09 and a further 15 200 approved family day carers (SCRGSP 2010). This figure under-estimates the size of the workforce, because the estimate only includes those workers who are employed in approved services — services that are accredited to receive the Child Care Benefit. Many of the services in the occasional care sector are not approved to receive the Child Care Benefit.

There were approximately 11 000 persons employed (on a full-time equivalent basis) in preschool programs that were either provided or funded by state and territory governments in 2008-09 (SCRGSP 2010).

The following document outlines those sections of the issues paper to which WELA would like to respond.



3.The early childhood development workforce

Questions posed by the Productivity Commission:

Does this list provide comprehensive coverage of formal childcare settings? Is this an adequate representation of the broad roles and responsibilities of childcare and preschool workers? What characteristics describe the childcare and preschool workforces — in terms of demographics, wages and salaries, working conditions, employment status, staff turnover, unfilled vacancies, and job satisfaction?

WELA Response:

1) Recognition of Prior Learning

WELA notes that much employment in the sector is very low paid and the skills involved are often not recognised. While not asserting that experience in caring for children automatically establishes skills, we note that there are unqualified but skilled people in the sector. We suggest that more development of Recognition of Prior Learning (and experience) would be useful for those who have worked for years in the sector but are not formally qualified.

Such a system should be rigorous but also recognise that skills and cultural knowledge can be powerfully transmitted through oral cultures and experience. We note that many Indigenous workers have cultural skills that are needed and used but not appropriately recognised. These contradictions provide much evidence that current training and qualification models are too often limited in both scope and content. As most non-Indigenous staff lack the cultural skills they should have (and often need) to operate services, recognition of informally learned knowledge would assist in redressing the lack of recognition of some cultural deficits.

2) Indigenous knowledge in early childhood qualifications should be mandatory at all levels with appropriate skill levels.

3) Audit of necessary Indigenous and other skills and knowledge

WELA therefore recommends that an audit of necessary Indigenous and other skills and knowledge be undertaken and then matched to what is made available, particularly in the VET level courses. The 'competency' basis of much of this area was devised for trade skills and is not very effective in describing human services skills or relationships and cultural understanding. These comments come from an awareness of the Indigenous omissions but also apply to other informally learned human services skills.



5. Demand for ECD workers

Statement from the Productivity Commission:

The demand for ECD workers is closely linked to the demand for ECD services. The aggregate demand for ECD services is in turn a function of the number of children in the community, the needs of children, the preferences and resources of families, and the prices of ECD services (with prices being strongly influenced by government policies and payments). These factors often intersect and overlap.

WELA Response:

WELA agrees but notes that the policy settings are core to system. The payments of rebates and credits to parents make assumptions about markets that do not work. Some control over fees would allow the government to more effectively ensure that policy objectives are met.

Demand for early childhood education and care workers

Statement and questions from the Productivity Commission:

Child development

Many parents send their children to an ECEC service to promote their children's development. About 60 per cent of parents who use formal childcare for their non-school-age child report that they choose to do so because it is beneficial for their child (ABS 2008). Yet there are many families that do not use either formal or informal childcare — that is, the children in those families remain in the care of their primary care giver.

What are some of the child development reasons families choose to use, or not use, different ECEC services? How is this changing over time?

WELA Response:

WELA seeks that other aspects be considered e.g. Why assume lack of use is because of child development issues rather than costs and lack of culturally appropriate, accessible and acceptable services?

Statement and questions from the Productivity Commission:

Labour force participation

Australia's labour force participation has increased considerably over recent years, driven mainly by a large increase in female participation (Abhayaratna and Lattimore 2006). This has had profound effects on the childcare sector, as parents' decisions to participate in the labour force are a major factor influencing the demand for childcare (Doiron and Kalb 2005). Indeed, 75 per cent of parents who put their non-school-age children into formal childcare report that they do so because of work-related reasons (ABS 2008).



The decision to enter the workforce may depend, among other factors, upon the availability of affordable childcare. This is particularly so for mothers and for single parents. The affordability of childcare is highly contingent on the costs of the care options parents have available — net of any subsidies — relative to the net income they gain from working.

The availability of informal care may also influence the demand for formal care, because formal and informal childcare arrangements are, to some extent, substitutable. Parents have different preferences between informal and formal care, and between different types of formal and informal care. However, their eventual choice will reflect a number of factors such as availability of care, the relative cost, and the perceived quality of the different types of care. While there has generally been a trend towards formal services, many parents continue to use a combination of formal and informal care arrangements at various stages of a child's life.

To what extent is female labour force participation influenced by the availability of formal childcare? How might the demand for ECEC services be affected by changes to female labour force participation?

To what extent does the relative cost of ECEC services determine the demand for those services?

WELA Response:

Costs are more significant than research will show because when completing surveys parents are reluctant to give “money” as the reason for not using care. As fees are usually quoted as averages not actual fees it is also hard to determine the actual effect on use of services. However, there is evidence that access to local quality care when needed is crucial. WELA agrees with the above statement of issues but further notes that mixes of care types can often be the result of lack of services or their costs, rather than choices.

Future demand for ECD workers

Statement and questions from the Productivity Commission:

Australian governments' commitments to provide universal access to preschool, and to improve the quality of childcare, are likely to have significant implications in terms of increased demand for more qualified ECD workers.

Many workers may also be required to upgrade their qualifications to meet the new standards. This will potentially increase the cost of ECD services, as the more highly qualified workers will need to be rewarded for their increased qualifications and skills. To the extent that employing more qualified staff increases costs to families, this could reduce the demand for ECD services and workers as consumers of childcare substitute informal for formal forms of care.

How might the proposed qualification standards, staffing levels, and the implied mix of skills and knowledge assist the delivery of the desired outcomes for children?

What effect will the new standards and targets have on demand for ECD workers?

What options are available for funding the increased wages and salaries of more highly qualified ECD workers?



WELA Response:

Increased funding should be available both as subsidies for centres and direct subsidies for parental fees. By funding some part of centre/service budgets directly, it would be possible for the Government to establish a relationship with providers that would enable it to set conditions, possibly including limits to fee rises. The assumption that market forces such as parental choice and pressure will keep fees at acceptable levels does not hold because there is neither sufficient supply, nor are items interchangeable. As stated earlier in this submission parents stay with providers for a range of reasons, one of which is stability of care. Fee subsidies are necessary to ensure effective access for all families who want and need care.





6. Supply of ECD workers

Statement and questions from the Productivity Commission:

The supply of ECD workers depends on the attractiveness of employment in the ECD sector, relative to other sectors of the economy, for workers with, or who are prepared to acquire, the appropriate skills and qualifications.

Some commentators suggest that employment in parts of the ECD sector is relatively unattractive, with widespread concern being expressed about an inability to attract and retain workers at existing wage levels (CSDMAC 2009; Senate 2009). This is often described as a labour shortage. These problems affect many ECD occupations, most notably preschool teachers and child health nurses (DEEWR 2010b). These issues appear to be particularly pronounced in regional, rural and remote areas, although the causes and extent of these problems may vary between regions.

Do providers of ECD services have difficulties finding staff? If so, are these problems more pronounced in some ECD occupations or in some areas of Australia? Why is this the case?

How much of the shortage is caused by low wages or wage differentials? Are there other factors (such as working hours or conditions) that are important in attracting staff to the sector?

WELA Response:

WELA believes that poor working conditions and pay are major factors in both difficulties of recruiting and retaining staff, both qualified and unqualified. We recommend a pay equity assessment of the sector be undertaken by Fair Work Australia.

Pay and conditions

Statement and questions from the Productivity Commission:

Some commentators argue that workforce shortages are the result of the relatively unattractive wages offered to workers in the ECD sector. For instance, teachers working in schools in some jurisdictions have significantly higher salaries, longer holidays, and more time for preparation than their preschool counterparts (Evesson et al. 2009). As many teachers are qualified to teach in both primary schools and preschools, such differences in pay and conditions may explain why vacancies for preschool teachers are more widespread than vacancies for primary-school teachers (DEEWR 2010b).

Similarly, childcare workers without formal qualifications earn less than they would if they cared for the aged or disabled (DEEWR 2010b). The observed high turnover among childcare workers (CSMAC 2006) may reflect their emigration from the low skill–low pay environment of the childcare sector to take up better-paid jobs in other industries (Bretherton 2010; Evesson et al. 2009).

There can also be considerable variation in wages and conditions within the ECD sector, with teachers working in childcare centres being paid less than teachers working in preschools, despite having the same qualifications (Watson 2006).

In addition to wages and salaries, the attractiveness of employment in the ECD sector may depend on other elements associated with employment, such as professional development opportunities, work–life balance, access to leave, and



career pathways. The weight attached to each factor by potential ECD workers is likely to vary in light of their personal circumstances and alternative employment options....

What are the key factors influencing an individual's decision to work in the ECD sector? Do these vary for different ECD occupations?

Why are ECD workers paid less than those working in related sectors? Are the wages and salaries for workers in different ECD occupations appropriate, given the skills and qualifications required? If not, how might this best be addressed?

WELA Response:

WELA agrees and suggests the PC look for the answers in the IR system and long term undervaluing of feminised work. An equal pay push in this area would be likely to raise many pay rates. The final questions above seem unaware that the answer is in the arguments for equal pay. Childcare is a classically undervalued and feminised set of skills.

Career pathways and professional development

Statement and questions from the Productivity Commission:

Many workers, particularly ECEC workers, obtain or upgrade their ECD qualifications after they have commenced work in the sector. However, initial consultations suggest that many workers may not consider the time and cost of further training to be worthwhile, as any compensatory wage increases are too small (CSMAC 2006).

There can be considerable barriers for many ECD workers in accessing training, including the cost of training courses and competing family and personal responsibilities. Travel time and distance from training providers can also be a barrier to accessing training, particularly for staff in regional, rural and remote areas.

While some employers place a great deal of importance on training and professional development, others may be reluctant to support staff in undertaking training. This reluctance can arise due to the difficulty in finding replacement workers to 'backfill' positions, or because career pathways for more highly-qualified staff can mean that, once qualified, staff move to new employers or to other settings of care.

Are workers who obtain additional skills and qualifications sufficiently rewarded? Is expertise sufficiently recognised and valued? How could opportunities for career progression within the ECD sector be enhanced?

WELA Response:

No, recognition is inadequate. When referring to equal pay debates it is clear the whole area is affected by gendered assumptions and the range of prejudices these generate. Caring for children requires high levels of skill as well as professional knowledge. These forms of knowledge need to be recognised along with the benefits both parents and children gain from sharing the care tasks.