



Daycare Decisions

A report on the child care experience of parents across Australia



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Section 1: Overview

1.1 Introduction to Daycare Decisions

Daycare Decisions is a Brisbane-based digital start-up founded by Rebecca McIntosh in 2012 for parents choosing or using child care in Australia. It was founded in response to Rebecca's own difficulty in researching, finding and securing the childcare that suited her family. Daycare Decisions engagement with the Australian community has been based online through Rebecca's blog (see <http://www.daycaredecisions.com.au>), which also promotes parental participation in academic research projects and has resources for parents to assist them in choosing and using childcare.

Rebecca is currently developing and testing a prototype through the iLab Accelerate Program, with some assistance from the Brisbane City Council Budding Entrepreneurs Program for launch in July 2014. It is hoped Daycare Decision's search functionality and online community will assist parents choosing and using childcare and address parents requests to access detailed information on the childcare they are searching for and provide parents with a place to engage, connect and share information.

Thank you for the opportunity to provide this submission. For further information regarding the content, please contact the submission's author Nathan St John, Market Research Analyst, via LinkedIn <http://www.linkedin.com/pub/nathan-st-john/8a/90b/39b>

1.2 Overview of Submission

This submission constitutes an evidence-based response to the terms of reference guiding the Inquiry into Childcare and Early Childhood Learning. It attempts to systematically address several questions regarding early childhood education and care (ECEC) proposed in both the *Issues Paper* and *Parent's Views* circular. This submission is also motivated by two Daycare Decisions' objectives. Firstly, to allow the unfiltered voices and personal childcare concerns of parents to be heard in this Inquiry, rather than through the voice of their service providers. Secondly, to determine if, at present, parents are able to quickly and easily access information surrounding their childcare choices.

To achieve this, Daycare Decisions has analysed a dataset of opinions regarding Australian ECEC services gathered via a national survey. This has enabled the comments of over 700 parents to be aligned with the themes proposed by the Productivity Commission. To help organise this data, the main section of this submission (Section 2) is presented in a similar order to the *Issues Paper*.

In brief, the findings indicate most parents experience difficulties finding the 'right' childcare and accessing a childcare service; including the cost, a lack of centres and vacancies, and the inflexibility of opening hours and payment models. Problematically, all of these issues can delay agreed dates to return to the workforce by extending leave in order to find the right care or needing to wait for a place to become available. Concerns regarding wait list management, unmet ECEC demand for shift workers, and the value of extending rebates to in-home types of care were also highlighted. Finally, a complete list of the associated recommendations can be viewed in Table 1, Section 3, pp. 8.

1.3 Survey and Dataset

In November 2013, parents throughout Australia were invited to participate in the 'Your Child Care Experience Survey' through Daycare Decisions. This was a non-randomised online market research questionnaire exploring the use of ECEC services. Overall, 712 parents took part with 90 per cent indicating they had at least one child (under five years old) who required childcare. Furthermore, the care-types used across the sample were Long Day Care (69%), informal family care (18%), Family Day Care (12%) and Nannies/Au Pairs (1%). Importantly, two items provided a cross-sectional dataset of views and experiences of childcare services, which then formed the basis of this submission. These were;

- (a) *What is, or has been, the biggest pain for you in organising childcare?*
- (b) *If you could overhaul childcare in Australia, what would it look like?*

Section 2: Main Response to the Issues Paper and Parental Views Circular

2.1 Impacts of Childcare and Early Learning Services on Workforce Participation

The data provides useful information regarding the relative importance of the accessibility, flexibility and affordability of ECEC services on influencing parental decisions to work. Over 400 comments suggest that, of these three factors, affordability has the most significant effect on whether parents choose to return to the workforce. Many parents noted that, due to the high out-of-pocket cost of childcare, they were financially better-off to remain at home (see Sub-section 2.5 pp. 5 for more detail). Respondents also noted that making ECEC more affordable for working families would encourage many parents to return to the labour force.

The accessibility of childcare services emerged as the next relevant factor shaping return-to-work decisions. Key issues were; (a) a shortage of centres in regional and metropolitan areas, (b) a shortage of openings at accessible centres, (c) a mismatch between parental preferences and available care-types and, (d) long waiting lists (see Sub-section 2.2 pp. 3 for more detail). These problems made returning to work (particularly full-time work) less likely, as one parent wrote, *“waiting lists are years long! I don’t think I will be going back to work as planned”*. Evidently, parents believe more centres, more vacancies and improved wait list management in metropolitan areas could help resolve this.

Flexibility of childcare played the least influential role in work decisions; however, it was commonly mentioned. Comments focused on the difficulty of returning to work when most occupations (especially shift-based professions) require more than a 9am to 5pm commitment, yet many childcare centres do not have extended hours of care before 6am and after 6pm (see Sub-section 2.3 pp. 4 for more detail). Additionally, parents being expected to pay for full and permanent care days; when hourly, half-days and short terms payment models would enable more flexibility to accommodate work, or undertake work-related meetings, conferences and events, was another issue. Hence, expanded openings times and new payment methods may help address these issues.

2.2 Availability of Childcare and Early Learning Services

2.2.1 General availability

Around 16 per cent of parents reported difficulty accessing suitable childcare. The key issue was locating a centre with vacancies. Then, when vacancies were found, parents commonly accept the placement before determining if the centre best met their needs. On this problem one parent wrote, *“just finding a position in the first place [is the biggest difficulty], we’ve just had to take what we could get”*, and from another, *“there are no vacancies for childcare centres in my area, and this is especially hard when returning to work full time”*. Parents suggested providing more centres around business districts and in urban areas with high population densities (e.g., Melbourne) to deal with this demand.

A second issue reported was matching the available vacancies to diverse parental preferences and changing work commitments. Problems mentioned here included, (a) limited full-time care availability, (b) limited vacancies for certain ages (e.g., up to and including three year olds), (c) no specific day options (e.g., accepting days you are offered rather than having the choice), (d) no choice of care-type (e.g., having to accept one type of care over another preferred care) and, (e) no openings at short notice.

One final, yet unpredicted, availability problem was childcare for siblings. Not surprisingly, parents prefer to have their children at a single centre; however, in a context of high demand this was difficult and parents suggested problems with care providers having a ‘no sibling preference’ policy. Consequently, many parents use alternate centres for their children, and due to multiple fees and transportation, this commonly interferes with work commitments and cost. As illustrated by one parent, *“I cannot make it to work on time as I take my kids to 2 daycares, one at 6.30 am the other at 6.45am, and I start at 7 am on the opposite side of town”*. Sibling preference at ECEC centres coupled with higher rebates for multiple children was a proposed reform to address this.

2.2.2 Waiting lists

Many parents reported continuous problems with waiting lists. Indeed, almost one third chose *“not knowing where you are on the waiting list”* as the most significant issue when organising childcare. Moreover, written responses revealed frustration with being placed on waiting lists of up to two years duration, not being placed on lists because they were too long and, as a result, not being able to return to work.

Problematically also, even obtaining a place via these lists did not necessarily mean that returning to work was achievable. Here, parents indicated places were commonly offered months before they were due to return to paid employment or months (even years) afterward. Interestingly as well, all parents who discussed this enrolment process as being easy for them and their children described their place allocation in terms of ‘being lucky’. This suggests that, rather than expecting the current waitlist process and allocation system to provide a childcare place which corresponds to work commitments, many families are instead relying simply on ‘luck’. To address these complex waitlist issues, many parents have begun to *‘enrol their children in multiple centres’* and this, in itself, was listed by almost 20 per cent of parents as the main problem of arranging childcare in Australia.

Multiple reforms were also offered by parents, the most common, a publicly accessible system of transparent and centralised waiting lists. This would dictate if enrolment was worthwhile and also allow monitoring of progress on long waiting lists. Finally, parents suggest more centres could be provided where lists continually exceed capacity.

2.3 Flexibility of Childcare and Early Learning Services

2.3.1 General flexibility

The inflexibility of ECEC services was another common challenge when arranging childcare, with around 15 per cent of parents raising this issue. Central here was that work patterns have expanded beyond 9am to 5pm, yet each childcare provider offers different hours and often work commitments occur outside these times. Parents expressed the need for, *“Longer hours [of childcare] for working parents e.g. 6am to 7pm”*. Additionally, many parents suggested weekend childcare options, later night care providers and some 24 hour centres (especially in highly populated areas).

A related inflexibility issue revealed was the current payment model. Having to pay full day rates and permanent placements was reported as too rigid for many parents; with increased booking flexibility here likely to assist more parents return to their professions or even assist in a phased return. Mechanisms proposed include; payment for hourly timeslots, half-day ‘flexi time’ arrangements, day swapping when rosters change (instead of paying for both the empty place and new spot) and not having to pay if children are sick and cannot attend or on public holidays when children are at home.

2.3.2 Shift workers

Findings indicate that the ECEC needs of shift working parents (e.g., nurses) are growing and are a concern for many families. Two issues were common here. First, few services are available during early morning, late night and weekend rotation work. As mentioned by one parent, *“I work shifts and start at 5.30am, centres don't open this early”*, and from another, *“there should be more positions for*

night time care (e.g. in Townsville) so shift workers like nurses have childcare options". Moreover, parents working rotational rosters expressed difficulty finding childcare amongst the current models on offer, such as Long Day Care opening hours being typically 7am to 5pm. Thus a demand for 'shift worker friendly' childcare (e.g., 24 hour centres near large hospitals) appears to be emerging across Australia. Secondly, having to arrange permanent care days when rosters frequently change means shift workers often cannot find a centre. One parent mentioned here that their biggest ECEC challenge was *"not being able to find care for shift working parents, as the set days each week required don't work when your shifts change weekly"*. Therefore, there seems to be a demand for services that accommodate shift worker timetables.

2.4 Additional Needs and Regional and Remote Areas

Only a small number of parents provided comment on these issues. This, however, does not imply these themes are of less importance, and more likely reflects the specific demographics and composition of the non-random sample.

2.4.1 Additional needs

Five parents mentioned they had children with additional needs (i.e., Autism Spectrum Disorder, Epilepsy and/or Attention Deficit Hyperactivity Disorder) and discussed a shared difficulty when organising care. Here, parents felt that many centres didn't yet have the skills, capacity and resources to cater for their special needs children, and hence, it was difficult to locate a willing ECEC provider with the verifiable expertise to support their children.

It is unknown if these parents were seeking mainstream or specialised services, however, there does appear concern with how their children's needs may be met. The key factor, according to these parents, was a shortage of qualifications in this area. Hence, governments may improve practice here by encouraging and training childcare workers to specialise in additional needs areas. Finally, creating more centres which focus on certain needs (i.e., Autism) was specifically raised.

2.4.2 Regional and remote areas

Five parents also indicated they lived in regional and/or remotes areas (e.g., regional Victoria) and outlined one unanimous ECEC difficulty. This was a shortage of centres in 'small country towns' where demand consistently outpaced supply. One parent summarised this issue by writing, *"I'm in a town with only one day care open 3 days a week. It is not a reliable service and often closed at short notice."* The key measure to improve access was, unsurprisingly, to provide enough centres in regional and rural areas to meet local demand.

2.5 Cost of Childcare and Early Learning Services

Close to 14 per cent of parents reported that, despite government assistance, the high cost of childcare remains a significant difficulty. Specifically, this cost influenced whether ECEC services are used at all, with one respondent commenting, *"we are not using childcare as we just can't afford it"*. Many working families are also using a combination of both formal and informal care (i.e., family two days, formal care three days) rather than relying exclusively on the 'pricey' childcare system. Further emphasising this issue, around 25 percent of parents indicated that reducing cost is a central reform nessecary in any overhaul of the ECEC system.

However, as outlined in Sub-section 2.1 (pp. 3), the most significant impact of cost was its direct influence on parental decisions to work and/or study. For parents in the survey, price appears to be the largest factor in making this choice. The following two comments capture this crucial insight, *"make it [childcare] more affordable for mums. I currently lose half my wage in child care. The government wants mums to return to work but they don't make it affordable to do so"* and, *"make it cheaper for parents who wish to go back to work, because when I did this I was no better off, so I am at home*

again providing care". Notably, there were more than 30 other comments which also stressed this point. Clearly then, high ECEC costs are preventing many parents from working their preferred hours; thus, reforms which aim to reduce this out-of-pocket expense, for example by removing the Child Care Rebate (CCR) cap, are likely to boost workforce participation.

2.6 Government Support for Childcare and Early Learning Services

When asked about overhauling childcare, around 25 per cent of parents discussed government assistance and the various reforms required for a sustainable ECEC system. Promisingly, many of these comments are in line with the Productivity Commission's Inquiry; namely, the appropriateness of current assistance, the ease of applying for support, options for extending assistance, employer provided childcare, using the My Child website and outlining targeted reforms which may help improve ECEC in Australian.

2.6.1 Perceptions of current government assistance and application processes

Most parents (around 65 per cent) believe the current level of support is too low. Thus, financial assistance could be expanded via increases in both the CCR cap and Childcare Benefit (CCB), especially to encourage parents to rejoin the workforce. This was a consistent finding with comments like, *"we need more childcare rebates, so parents can go back to work"* and, *"fairer financial support across the board, after the \$7500 rebate I am still out of pocket over \$17000 for the privilege of going to work"*. Arguably then, lowering the out-of-pocket cost of care can provide the incentive for parents to return to their professions. For the application process, parents reported confusion when applying for government assistance. Applying for childcare, determining eligibility and understanding how to optimise benefits had become complex and confusing to many, and may require simplification for busy families. Tellingly, *"the forms to get CCR or CCB would be easy to fill in. Right now they are horrendous. They should be able to be filled in online too"*.

2.6.2 Proposals to extend support to other types of childcare

One proposal popular among parents was extending assistance to in-home care provided by nannies and au pairs. More than a quarter of parents mentioned that this reform could help address growing ECEC demand and also help parents to return to work. The mechanism proposed was for registered nannies to be claimable under the CCR and, as one parent wrote, *"Nannies should be part of the CCR. That way, families could utilise them and this frees up a space in all daycare centres."* To further facilitate this reform the extension of au pair visas from six months to eighteen months was also proposed. Another option, mentioned less frequently but still often, was a similar rebate structure for unregistered in-home care provided by grandparents.

2.6.3 Suggestions to encourage employer supported childcare

Employer provided childcare was not mentioned as frequently as other support options in the survey. However, two minor strategies still emerged; encouraging and incentivising larger organisations (via rebates or tax deductions) to provide childcare centres on-site or help arrange childcare in nearby locations, and to provide businesses/employers with government sponsored childcare vouchers to reward parental decisions to return to work.

2.6.4 Current levels of information access and use of the My Child website

No parents commented about using the My Child website to identify vacancies and compare centres. However, remarks that this type of information is hard to access suggest that the website may not be widely known, difficult to navigate or not providing the range of information required. For example, the biggest challenge in arranging care for almost half of the parents was either *"Researching the best type of care for their family"* or *"Deciding and comparing what type of childcare to use"*. More specifically, these parents highlighted that researching the cost, quality and accreditation status (i.e.,

NQF certification) of individual centres was difficult. One comment which further suggests a lack of public knowledge of the My Child website was, “*we need to know what to look for when researching centres, and know where and how to find information*”. In sum then, it appears that despite this website, many parents have difficulty accessing childcare information. Therefore, when revisiting a key Daycare Decision’s submission objective (Sub-section 1.2 pp 2), which was to determine if childcare information is quick and easy to access for parents, the data suggests that many key resources and crucial information remains difficult to locate and use.

2.6.5 Reform options

Drawing from the above sections, two main reforms may help meet government ECEC objectives, (a) raising the cap on the CCR and, (b) allowing the use of in-home carers to be subsidised via this rebate. Additionally, however, parents identified three particular groups which may benefit from a larger proportion of government assistance; single mothers who are working, families in need/lower income families and families where both parents are working full-time. Finally, covering childcare expenses via salary sacrificing and tax deductions was also looked upon favourably by parents. Concerning these reforms, a more comprehensive table of all recommendations is provided in Table 1 Section 3, pp. 8.

2.7 Additional Areas

Two additional findings not specifically requested by the inquiry, but which may be relevant to childcare policy in Australia, were ECEC worker remuneration and carer-child ratios. Almost 25 per cent of parents identified the need to increase the pay-scale of childcare workers and saw this as a necessary part of a high-quality sector. Following this, strategies to increase the carer to child ratio, to allow interaction and education between more staff and less children, was mentioned consistently by around 10 per cent of parents.

Section 3: Recommendations and Conclusion

To sum up, Table 1 (pp. 8 below) draws together the broad recommendations covered in this submission. It can be seen that the unfiltered voices and concerns of parents align relatively well with the issues proposed by the Productivity Commission. Furthermore, consistent suggestions and ideas for childcare reform, from the personal perspective of Australian families as opposed to current service providers, have emerged. These findings, whilst exploratory in nature, can hopefully assist the Australian Government in identifying the current and future needs for childcare, and help build a more accessible, inclusive, sustainable and affordable system.

Arguably, the key message of this submission is the perception that the high cost, availability and inflexibility resulting from the current ECEC arrangements are indeed limiting parent’s participation in the workforce. On this, metropolitan areas appear constrained by shortage of places, wait list management issues due to limited transparency, inflexible opening times for shift workers, and a reliance on ‘good luck’ as opposed to ‘good process’ for organising suitable care. Conversely, regional/rural parents seem to experience reduced-hours services, a shortage of centres, and available places lagging behind demand. Importantly, across all these locations, cost appears to play the most central role in choosing to work or provide care. Thus, efforts to improve affordability via CCR/CCB reform and the inclusion of rebates for additional care-types may be essential first steps toward making the decision, and easing the transition, back to work.

Finally, a key objective of Daycare Decisions’ in making this submission was to determine if parents can easily access childcare information to make informed choices, and the results indicate that this is not the case for many families. Therefore, Daycare Decisions will continue on its mission to assist both families seeking transparent information on childcare and the Government disseminating childcare information to parents and carers of children choosing or using childcare.

Table 1 **Recommendations for improving the current arrangements of Australian ECEC Services**

<i>Issue</i>	<i>Recommendations</i>
Cost & Affordability	<ul style="list-style-type: none"> • Remove CCR cap • Increase CCB
Availability	<ul style="list-style-type: none"> • More centres in high density areas • Increased financial assistance for families with two or more children in care • Publicly accessible & centralised waiting lists • Provide more centres where waiting lists exceed capacity • Priority given to working mothers on waiting lists
Flexibility	<ul style="list-style-type: none"> • More centres open from 6am to 7pm • Increased weekend, late night and 24 hour options • Hourly & half-day payment & care options • ‘Shift-worker friendly’ services e.g., 24 hour services near large hospitals
Additional Needs	<ul style="list-style-type: none"> • More training in special needs & childhood disability care • Provide centres for special needs only children
Regional & Rural	<ul style="list-style-type: none"> • More centres in high demand locations
Government Reform	<ul style="list-style-type: none"> • In-home care types (i.e., nannies, au pairs and unregistered grandparents) subsidised via the CCR • A greater proportion of childcare assistance to single working mothers, low-income families & families with both parents working • Better access to online information and research about childcare options
Additional Areas	<ul style="list-style-type: none"> • Increase the pay-scale of child care workers • Increase the carer to child ratio

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