



# Response to Draft Report, Childcare and Early Childhood Learning

Productivity Commission

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Submission by:  
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## Unions NSW

Unions NSW welcomes the opportunity to respond to the Productivity Commission's Draft Report into Childcare and Early Childhood Learning.

Unions NSW is the peak body for trade unions and union members in NSW. It has over 65 affiliated unions and Trades and Labour Councils, representing approximately 600,000 workers across the State.

Affiliated unions cover the spectrum of the workforce, stretching from workers in finance to footwear and construction to communications. Unions NSW is the largest member based organisation in NSW.

Unions NSW convenes a Women's Committee. This is a working committee comprised of female union representatives from Unions NSW affiliates. The Committee meets monthly to discuss issues that women face in the workplace and to develop actions and campaign to address the same. The Women's Committee has played an active role in both the preparation of our initial submission and our response to the Draft Report.

## Introduction

This submission should be considered in addition to the recommendations made in our original submission to the Inquiry in February 2014.

As with our original submission, this response focuses on the principles of quality care and accessibility. Specifically, this submission will comment on:

- Deemed costs;
- The availability of 'out of normal care' options;
- The right to request;
- The introduction and regulation of nannies.

Unions NSW supports the submissions made by the Australian Council of Trade Unions, United Voice, the Australian Education Union and the Independent Education Union.

## Deemed costs

Unions NSW is concerned by the Productivity Commission's recommendation to reimburse parents for the 'deemed costs' of childcare as opposed to 'actual costs'. We believe that this will have a negative impact on access to ECEC services, especially for parents who earn less and who live or work in geographical areas where childcare is more expensive.

Unions NSW is concerned that deemed costs won't reflect the actual costs of childcare provision.

Unions NSW believes that indexing the deemed costs to ECEC wages would be an essential step in supporting the professional work of ECEC educators and ensuring that quality childcare is affordable for parents.

We are concerned by a 'one cost fits all' approach to deemed costs. As has been acknowledged by the Commission, ECEC centres situated close to the CBD's of Sydney, Melbourne and Canberra have more expensive fees than centres in other geographic locations around the country. High rental levels in these areas are an influencing factor in higher fees. Unions NSW would like to see a model of deemed costs that take into account cost variation associated with geographic location.

Unions NSW understands that the Productivity Commission is currently undertaking further modelling to assess the impact that 'deemed costs' and changes to 'means testing' will have on families using ECEC services.

Unions NSW believes that any changes introduced should ensure that low-income families are not worse off under a system.

## **Availability of 'Out of Normal Care' Options**

Unions NSW is interested in the Commission's discussion of greater integration within ECEC services. Integrated services would allow for the co-location of services as well as shared information between services. This would provide advantages for both providers and parents.

Unions NSW believes that the integration of ECEC services would assist in providing parents with increased flexibility when it comes to balancing the care and education of their children with their own working responsibilities. This will particularly be the case for parents who are shift workers or who work non-standard hours.

In its Draft Report, the Commission suggested that service integration would need to be provided by an independent service or lead agency, and suggested a number of funding options including funding from providers, parents, government grants or social impact investing.

Unions NSW is concerned by the use of social impact investing to fund the integration of services. Considering the significant changes that the childcare industry is likely to see in the next few years, partially as a result of this inquiry, Unions NSW believes that more reliable forms of funding are necessary in the industry.

Unions NSW believes that the Federal Government should play a role in the funding of integrated services.

The Commission has reported that the current Childcare Flexibility Trials have had a lower than expected take up rate and as a result there is not enough demand to warrant further intervention at this time.

Unions NSW supports the submissions of the Police Association and Nurse Association that argue the use of 'flexible care' would increase in the long term as more parents became aware that it is available. As these two unions noted, flexible care options are extremely important to their members who work non-regular hours.

Unions NSW asks that the Commission await the findings of the Child Care Flexibility Report due to be released in November 2014 before making any recommendation about the effectiveness or continuation of the scheme.

## **Right to Request**

The Productivity Commission acknowledges the important role that flexible working practices play in ensuring that parents are able to balance their working and caring responsibilities. As such, the Commission has recommended that employer and employee associations increase awareness about the 'right to request flexible working arrangements' and Individual Flexibility Agreements under the *Fair Work Act*.

Unions NSW believes the best way to ensure that parents are able to receive the workplace flexibility needed to balance their caring and working responsibilities is to strengthen the Right to Request. The Right to Request needs to include an avenue for employees to appeal decisions made by management and employers.

Individual Flexibility Agreements are not an appropriate avenue for workers to negotiate family friendly work practices. Individual Flexibility Agreements require employees to trade away other working entitlements in order to receive flexible work arrangements and can be easily rescinded by employers with little notice.

Unions NSW would also like to point to the recent report by the Australian Human Rights Commission that reported on the widespread discrimination being experienced by mothers and fathers returning to work after the birth of a child. These findings highlight the need for strong action in this area. Strengthening the right to request would be an appropriate response to addressing the discriminatory practices that are taking place in workplaces across the country.

## **The Introduction and Regulation of Nannies as ECEC Providers**

The Commission has recommended that Government funding in the form of rebates for parents, be expanded to include the use of nannies.

If nannies were included as a form of government funded ECEC, Unions NSW argues that they must be required to comply with the National Quality Framework.

Unions NSW is also concerned about the regulation of nannies wages and conditions as well as occupational health and safety within homes. In order to address these concerns, Unions NSW

would like to see nannies employed by organisations that are responsible for ensuring appropriate working conditions for their nannies. The role could be taken by an agency, childcare centre or family day care centre through local government. This would ensure protection for both the nanny and the family by ensuring superannuation payments are made, correct wages are paid and appropriate insurance including workers compensation is in place as well as quality of care.

Unions NSW understands that some families employ the services of a nanny because of the flexibility it offers them, especially for families who work non-standard hours. Unions NSW would like to see the Commission look at more affordable childcare options for these parents who work non-standard hours. These parents need choices, not to be faced with hiring a nanny as the only option. The use of nannies, remain unaffordable for many families, even with the introduction of a rebate.