Child Care in a Changing Industrial Relations Environment

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WORKING PAPER 42

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Title page
This Working Paper is based on a discussion paper commissioned by the EPAC Child Care Task Force's study of *Future Child Care Provision in Australia*. The views in this paper do not necessarily reflect those of the funding organisation.
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BACKGROUND

The Australian Centre for Industrial Relations Research and Training (ACIRRT), at the University of Sydney, was commissioned to prepare a discussion paper for the EPAC Child Care Task Force’s study of Future Child Care Provision in Australia. This discussion paper is designed to contribute to an understanding of the underlying trends and issues influencing industrial relations conditions in the child care sector to the year 2010. It will also explore how the sector may be able to respond to changes in work and the move away from standard hours and taking place in the broader community.

It is important to stress that the scope of EPAC’s brief required a broad brush approach rather than a detailed research report. Indeed, given that the issues which have arisen in this discussion paper are multifaceted and complex, combined with the absence of a strong research and data base on industrial relations issues in the sector, a broad approach is a necessity. The gaps in the research base are in fact surprising, given the complexity and growth in the sector, the importance of labour costs and staff for quality outcomes for children. Finally, the EPAC briefing session in Melbourne on 15th March 1996, which was designed to canvass some of the issues raised, confirmed the somewhat nascent state of the analysis regarding industrial relations in the child care sector.

This discussion paper has endeavoured to take a broad sweep of the sector, and highlight general trends and issues which in fact require much more detailed level of analysis not possible within this project. With this qualification, the discussion paper has been structured as follows:

Part 1

Industrial Relations Profile Of The Child Care Sector
• Approach adopted in the study
• “Finding the balance”
• Structure and employment profile of the child care sector

Part 2

Key Industrial Issues Confronting The Child Care Sector
• Industrial relations arrangements in the child care sector
• Award compliance and award coverage issues
• Hours of work, relative pay
• Labour supply issues: turnover and recruitment
• Enterprise bargaining

Part 3

Flexibility And Future Child Care Service Provision

• Existing inflexibilities in child care provision
• Trends driving child care user demand for child care service flexibility
• Increased hours, overtime, shiftwork and flexibility
• Opportunities and obstacles within the sector for greater flexibility

Part 4

Conclusions
PART 1: INDUSTRIAL RELATIONS PROFILE OF THE CHILD CARE SECTOR

THE APPROACH ADOPTED IN THE PAPER

The EPAC Task Force was asked to broadly examine the prospective demand for child care, best practice in the provision of child care and the links between the provision of child care and other children's and family services and report by the end of July 1996. More specifically, the Task Force is focussing on developments in family formation, labour force participation, work patterns and other relevant economic and social factors in order to draw out implications for the provision of child care. The focus of the Task Force is on formal, paid child care, where the government has a role, both in the provision of funds and the regulation of services.

This discussion paper was originally conceived as a way of defining and locating trends associated with industrial relations and employment conditions in the child care sector to the year 2010. Moreover, it was designed to identify the capacity within the child care sector to respond to moves in the broader community away from standard hours of work and the impact this was likely to have on demand patterns. Initially, it was also hoped that the discussion paper would assist in producing a comprehensive mapping of the complexities of current industrial relations arrangements. However, this task proved to be a difficult one within the budget and the time frame of this project for a range of reasons:

- Complexity of the sector industrially, with variations by service type, employer type, and by jurisdiction
- A paucity of coordinated, synthesized information on the current state of industrial relations arrangements over the various service types
- A lack of secondary analysis of industrial relations issues in the sector, with the notable exception of family day care
- A fragmented industry where child care professionals and experts are across specific service types and issues (such as quality and training) but have-for the most part-a nascent analytical framework for understanding industrial relations trends and issues.

ACIRRT therefore had to progress within the context of these limitations. To achieve this we have drawn on the following resources:

- available secondary literature

• some limited primary source material, especially that associated with labour market and working arrangements in the broader community
• interviews with industry professionals and practitioners including participants at the EPAC workshop on training and industrial relations held in Melbourne on 15th March 1996.

Again, due to the scope of the project, the primary emphasis has been on industrial relations issues in the long day care sector (LDC), out of school hours/vacation care (OSHC)\(^2\) and to a lesser extent, Family Day Care (FDC).

The discussion paper highlights a range of key issues likely to confront the sector to the year 2010. The paper also reveals that a comprehensive industry-wide understanding of the complex industrial relations issues confronting the sector remains to be undertaken.

This being said, even the beginnings of an understanding of industrial relations issues within the sector must be located within a framework which appreciates the often delicate and tense balance between competing issues and needs within the sector. This we have termed "finding the balance", which is outlined below and which will provide the framework for the remainder of the paper.

"FINDING THE BALANCE"

Interviews with industry professionals and practitioners have emphasised the complex and interrelated nature of the issues confronting the child care sector into the next century. Industrial relations issues cannot be separated for the purposes of analysis from the struggles and tensions in the sector in reconciling the often competing demands of:

• maintenance and improvement of quality care/education
• user affordability and price sensitivity
• the extremely narrow operating margins of the majority of services
• increased demands for flexibility in service provision
• the government's preparedness and capacity to fund future provision and subsidisation of child care services
• the maintenance and improvement of the working conditions and professionalism of child care staff

\(^2\) OSHC will be assumed to include vacation care since most services which provide OSHC also provide vacation care. The exception is where State Departments of Sport and Recreation (in NSW for instance) provide holiday activities, and while it may be used as a form of de facto vacation care, it is not the same. It is outside the scope of this paper to explore the intricacies of vacation care.
• the future of regulatory parameters including state licensing and national accreditation

These issues are represented to varying degrees by the following key “stakeholders” in the child care system, all of whom tend to be passionately committed to what they see as their interest or the interests of their constituents:

• parent users
• community based services
• private/commercial services
• state and federal governments
• trade unions
• employer associations
• professional organisations
• educational organisations
• groups which represent the interests of the children

Any attempt to elevate or push any one of the aforementioned issues for the purposes of policy development or change will be (and has in the past) met with intense opposition from the other stakeholders in the system. For instance, struggles to improve wages and conditions of staff may, arguably, lead to improved quality outcomes for workers and children, but will clash with levels of affordability for parents and the states willingness to contribute to the increased costs. Similarly, attempts to cut costs associated with labour will immediately be opposed by unions and educationalists on quality and equity grounds, as is witnessed when the states review licensing and regulatory guidelines, or federal governments look at tightening funding guidelines. In the same way, the “resource poor” environment and extremely tight operating margins of most services compromise the ability of these services to respond to user demands for increased service and usage flexibility.

Therefore, no single issue can arguably be assessed in isolation from the potential displacement effects that resolving one issue will have on other areas. The tight state and federal fiscal environment will, for the foreseeable future, continue to impose firm parameters on state funding of child care services. This, combined with the price sensitivities of the users, the persistence of poor wages and conditions in the sector and the need to preserve and improve quality, will ensure that the struggle to balance these often competing demands will continue well into the next century.

The issues associated with industrial relations and service provision examined in the remainder of the paper will be located within this imperative of
“finding the balance”. Indeed, the critical role which child care provision, and the quality of this provision will continue to play in the working lives of the broader community, and the growing number of child care workers themselves, require that the complex and interrelated nature of the issues identified are kept firmly in focus by policy makers.

STRUCTURE AND EMPLOYMENT PROFILE OF THE CHILD CARE SECTOR

Usage And Growth Of Service Types

The demand and use of child care services in Australia is significant, and growing. As of June 1993:

- 49% of all children under the age of 12 used some formal of either paid or unpaid child care ³
- Of those children in paid child care 28% use paid informal care, 46% use paid formal care and another 26% use paid formal care (preschool).⁴

The child care sector, for the purpose of this paper, will refer to “paid formal care”. This therefore excludes “paid informal” care (for instance provided by baby-sitters or nannies) and “unpaid care” where parent(s) may rely upon family, friends or neighbours for care.⁵

While the use of child care has expanded across the board over the past decade, the types of care experiencing the most growth have been long day care (LDC) and family day care (FDC). While the majority of child care services have traditionally been provided by non-profit organisations, private/commercial centres are now the major service providers in the long day care sector (ACIRRT, 1995; DHHLGCS, 1994).

Types of Paid Formal Care

There are several different types of paid formal care, each with different employment and industrial issues

Long Day Care (LDC)⁶ centres provide on site care and are open for a minimum of eight hours per day, most weeks of the year, five days per week.

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³ EPAC (1995: 3) and DSH (1993)
⁴ EPAC (1993: 3)
⁵ This does not mean that nannies and baby-sitters are without industrial issues. Whelan (1995) identifies the problems surrounding nannies which resemble those experienced in FDC. Nannies often find employment through private nanny agencies but are treated as independent contractors who are forced to negotiate their conditions of employment directly with the family.
⁶ A full account of LDC can be found in Roe, Worthy and Newton (1994) and Brennan (1994)
They are sponsored by community based organisations, local councils, church groups, run by private/commercial operators or are employer-sponsored. They may operate on a break-even basis or a “for-profit” basis.

**Family Day Care (FDC)**\(^7\) is child care that is provided within the home of the carer. FDC is generally provided on a “not-for-profit” basis and is often coordinated by community based organisations, local councils or church groups. As will be highlighted, many FDC workers are considered “independent contractors” not as employees, despite lacking control over setting their own rates or on how they conduct the care.

**Outside School Hours Care (OSHC)**\(^8\) caters for primary school children before and/or after school and/or during school vacations. The structure and management of OSHC is similar to that of community based long day care centres. Services usually make use of existing facilities such as schools, community halls recreation centres and the like and are operated on a non-profit basis.

**Occasional Care** is temporary care, provided on an as required basis. This is intended to meet the needs of parents who do not work full-time but may require short term care for their children. Occasional care is often provided by community groups, churches and local councils.

**Industry Employment Profile**

**The child care labour process**

Child care is highly labour intensive work involving the physical, emotional and developmental care and education of children from the age of 0-5 in the case of LDC and FDC, and 5-12 years in the case of OSHC. The work is of a highly personal nature, there are long periods of face to face direct service work with children and strong societal and parental demands for quality care and, increasingly, for quality educational outcomes.

Being highly labour intensive, the costs for labour constitute the highest ongoing expenditure within all sectors of the industry. This reinforces the critical role staff development issues, employment conditions and industrial relations issues play both in the operational aspects of the centre, but also the quality of care to be provided for the children. Significantly for industrial relations arrangements, it means that changes to award coverage, bargaining

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\(^7\) See Gursansky et al. (1994) for a full account of Family Day Care structure, training reform and industrial issues

\(^8\) See Roe, Worthy and Newton (1994)
arrangements and overall conditions will be closely monitored for the impact they will have on operating cost and quality care outcomes.

Being a predominantly feminised industry, it has also been argued that the child care industry is the archetypal "pink ghetto" – a low status, lowly paid, labour intensive employer of women (Bennett, 1991). As Baxter (1996) points out, a variety of theories have been proposed to try to explain the low status, pay and bargaining position of female workers within the industry, but none of the theories alone account for the position of these workers. Because of its size, growth prospects and labour intensity of the work, issues related to employment and industrial matters are crucial in terms of service delivery and quality.

The demands on child care workers can be quite substantial. In caring for children, child care workers must remain ever vigilant for the health, safety and welfare of very young children and are also often expected to take an active role in meeting the growing and ever-changing needs of the children in their care, be those needs intellectual, social, emotional or physical. Moreover, several of the industry professionals interviewed remarked that the growing threat of litigation with regard to child physical and sexual abuse is now impacting heavily on workers within the industry. All of these factors appear to contributing to a child care labour process which can be at once rewarding, challenging and highly emotionally charged, physically tiring and stressful.

A Snapshot Of The Workforce

Slightly over 44,400 people (about 0.5% of the total Australian workforce) worked in LDC, FDC, OSHC, Occasional Care and other limited services. This represented a 10% increase in those working in the industry from 1991. Slightly over half of those working in child care did so in LDC, nearly one-third worked in FDC while a further 10% worked in OSHC. It should be noted that the types of workers in these services include not just child care workers, but cooks, cleaners, kitchen hands, accountants, administrative staff, gardeners, and, in some centres, resource and special education staff. However, this report, due to its scope, will focus primarily on child care workers.

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9 Recent occupational health and safety reports have noted that child care workers suffered many health and safety problems related to their work. These ranged from the emotional stress and burnout in the intense dealings with children and/or parents, to infectious diseases to serious back problems (Mayhew, Quinlan and Bennett 1995; Effective Change 1995).

10 McNeice, Mylne and Myer (1995) It is important to note that the CSP Census data was collected on those working in child care not merely those in paid employment. As such 9% of those workers are volunteers which are included in all the figures reported.
The table below overviews the breakdown of employee numbers across the formal paid child care sector.

**Table 1**

<table>
<thead>
<tr>
<th>Service type</th>
<th>NSW</th>
<th>VIC</th>
<th>QLD</th>
<th>WA</th>
<th>SA</th>
<th>TAS</th>
<th>ACT</th>
<th>NT</th>
<th>AUST</th>
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<td>LDC</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<td>Community Based</td>
<td>4419</td>
<td>2829</td>
<td>1905</td>
<td>1156</td>
<td>1269</td>
<td>461</td>
<td>322</td>
<td>230</td>
<td>12,591</td>
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<tr>
<td>Private</td>
<td>2555</td>
<td>1872</td>
<td>2343</td>
<td>642</td>
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<td>42</td>
<td>192</td>
<td>13</td>
<td>7967</td>
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<td>352</td>
<td>896</td>
<td>37</td>
<td>157</td>
<td>118</td>
<td>33</td>
<td>126</td>
<td>68</td>
<td>1787</td>
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<td></td>
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</tr>
<tr>
<td>Coordinating Staff</td>
<td>538</td>
<td>329</td>
<td>316</td>
<td>78</td>
<td>126</td>
<td>55</td>
<td>65</td>
<td>25</td>
<td>1532</td>
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<td>Providers</td>
<td>3914</td>
<td>4269</td>
<td>2721</td>
<td>713</td>
<td>1331</td>
<td>545</td>
<td>749</td>
<td>193</td>
<td>14,435</td>
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<td></td>
</tr>
<tr>
<td>Occasional Care</td>
<td>1298</td>
<td>1003</td>
<td>801</td>
<td>295</td>
<td>485</td>
<td>219</td>
<td>233</td>
<td>43</td>
<td>4377</td>
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<td>Other*</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>13,555</td>
<td>11,592</td>
<td>8371</td>
<td>3253</td>
<td>3756</td>
<td>1406</td>
<td>1728</td>
<td>627</td>
<td>44,288</td>
</tr>
</tbody>
</table>

Source: McNeice, Moyle and Meyer, 1995, p.11  
* "Other" includes Multifunctional Aboriginal Children’s Services and Multifunctional Children’s Services
Table 2
Percentage of child care workers, by service type and State/Territory, 1992

<table>
<thead>
<tr>
<th>Service type</th>
<th>NSW</th>
<th>VIC</th>
<th>QLD</th>
<th>WA</th>
<th>SA</th>
<th>TAS</th>
<th>ACT</th>
<th>NT</th>
<th>AUS T</th>
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<tbody>
<tr>
<td><strong>LDC</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community Based</td>
<td>32.6</td>
<td>24.4</td>
<td>22.8</td>
<td>35.5</td>
<td>33.8</td>
<td>32.8</td>
<td>18.6</td>
<td>36.7</td>
<td>28.4</td>
</tr>
<tr>
<td>Private</td>
<td>18.8</td>
<td>16.1</td>
<td>28.0</td>
<td>19.7</td>
<td>8.2</td>
<td>3.0</td>
<td>11.1</td>
<td>2.1</td>
<td>18.0</td>
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<tr>
<td>Employer and Non-Profit</td>
<td>2.6</td>
<td>7.7</td>
<td>0.4</td>
<td>4.8</td>
<td>3.1</td>
<td>2.3</td>
<td>7.3</td>
<td>10.8</td>
<td>4.0</td>
</tr>
<tr>
<td><strong>FDC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coordinating Staff</td>
<td>4.0</td>
<td>2.8</td>
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<td>3.4</td>
<td>3.9</td>
<td>3.8</td>
<td>4.0</td>
<td>3.5</td>
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<td>Providers</td>
<td>28.9</td>
<td>36.8</td>
<td>32.5</td>
<td>21.9</td>
<td>35.4</td>
<td>38.8</td>
<td>43.3</td>
<td>30.8</td>
<td>32.6</td>
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<tr>
<td><strong>OSHC</strong></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Occasional Care</td>
<td>9.6</td>
<td>8.7</td>
<td>9.6</td>
<td>9.1</td>
<td>12.9</td>
<td>15.6</td>
<td>13.5</td>
<td>6.9</td>
<td>9.9</td>
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<tr>
<td>Other*</td>
<td>1.1</td>
<td>0.6</td>
<td>0.7</td>
<td>2.7</td>
<td>1.4</td>
<td>0.9</td>
<td>0.5</td>
<td>8.8</td>
<td>*</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100.0</td>
<td>100.0</td>
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<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: McNeice, Moyle and Meyer 1995, p.11
* "Other" includes Multifunctional Aboriginal Children's Services and Multifunctional Children's Services

Areas Of Employment Growth

McNeice, Moyle and Myer (1995) argue that since the CSP census has only been collecting data in private LDC since 1991, making meaningful analysis of the time series data comparing the different providers is difficult.

However, they indicate that there has been significant growth in employment numbers in both community-based LDC and FDC between 1987 and 1992. However growth has been more dramatic in community based LDC where there has been a 47% growth in the number of workers. This compares to the somewhat less dramatic growth in FDC where there has been a 25% expansion in the number of workers.

OSHC has also seen staggering growth between 1987 and 1992, rising 155% from 1716 to 4377 employed.
Employment Status

An ACIRRT (1995a) report for the ALHWMU found that at a national level, less than half of all centre based day care staff work full time (48% in community based centres, 47% in private/commercial centres). Part-time workers constitute 24% of all staff in community based, employer-sponsored centres and 16% of staff employed in private/commercial LDC.

The proportion of casual staff is highest in private/commercial centres (28% as opposed to 20% in community based centres).

Unpaid staff constitute around 9% of all centre based staff nationally. Volunteers are most commonly found in the Occasional Care Sector, where they constitute 25% of those working. This may reflect the practice of parents who both use the facilities and working there voluntarily to receive future services in kind or at a reduced rate.

Gender of Workers

As has been well documented, the vast majority of those working in the child care industry are female (Bennett 1991: Brennan 1994). While the CSP Census does not collect data on the sex of workers, Australian Bureau of Statistics labour force data and unpublished data from the 1991 Census of Population and Housing note well over 90% of those employed in child care are women (McNeice, Moyle and Meyer 1995, p.16).

Ethnicity of Workers

The CSP Census does note the ethnicity of child care workers. It is noted that 2% of child care workers come from an Aboriginal and Torres Strait Islander background, most of these people working in multifunctional Aboriginal Children’s services. As well, the CSP Census notes that 14% of child care workers come from a non-English speaking background, the majority of whom were working as FDC providers (McNeice, Moyle and Meyer 1995, p.36-7).

Age of Child Care Workers

While the CSP census does not collect data on the age of child care workers other sources of data have noted the relative youth of the workforce. The Baker and Robertson (1992) survey of Victorian and South Australian LDC workers notes that the average age for a child care worker is 31 years while
the median age for women in workforce is currently 35 years (ABS 1995, p.90; Baker and Robertson 1992, p.33).

Qualifications
Wangmann (1995:77) notes that: "Research has consistently identified appropriate staff training as the key contributing component influencing child care program quality".

McNeice, Moyle and Meyer (1995) note that a rising proportion of child care workers possess formal qualifications. They note that the percentage of child care workers with a relevant qualification rose from 33% in 1989 to 40% in 1992. The rise in formal qualifications comes about for a variety of reasons: requirements for qualified staff in both licensing and accreditation as well the restructured awards which generally recognise formal qualifications in the classification.

Length Of Tenure
Rapid expansion of services and relatively high turnover means that child care workers, overall, have considerably short periods of tenure within the industry. Data from the CSP census notes that nearly 70% of child care workers have 4 years or less experience working in the industry. As with qualification, length of tenure appears to impact positively on the quality of care (Baker and Robertson 1992). The issue of staff turnover is dealt with later in the paper.
PART 2  KEY INDUSTRIAL ISSUES CONFRONTING THE CHILD CARE SECTOR

Industrial relations arrangements in the child care sector

As noted earlier, one of the intentions of this exercise was to “map” existing industrial relations arrangements across service types in the sector. This would capture the complexity and diversity within the child care sector and be a basis for predicting trends since the 1980s in terms of award coverage, union coverage, award changes and so on. However, the lack of comprehensive, integrated data across the sectors made this impossible within the scope of this project. It is ACIRRT’s opinion that this exercise remains an important one to be undertaken, but in this instance a snapshot only will be presented.

Award Coverage

LDC

Workers in LDC centres have had employee status and award coverage for many years now. Brennan(1994:13) notes that the entry of the Commonwealth into the funding of child care services in the early 1970s accelerated the pace of industrial change by stipulating the employment of qualified staff. However, industrial coverage developed in complex and fragmented ways, with a ACTU study finding that in 1983 there were 22 unions covering child care workers and at least 38 awards governing their conditions (Forbath, cited in Brennan (1994:128). Brennan argues that this fragmentation impeded the development and coverage of union representation and spreads the workers thinly, and second, it made award compliance difficult in individual services because of the complexity of the coverage (p.128).

However, union amalgamation and award restructuring have simplified the situation in LDC and OSHC. At present, child care workers can be covered by federal or state awards (with the exception of workers in the NT and ACT who are covered only be federal awards) (Kelly, 1993; McNeice, Moyle and Meyer, 1995). Award coverage varies by state. For instance, in Victoria a main child care award Children’s Services (Victoria) Interim Award 1994, is a federal award. Federal awards also cover child care workers in the ACT, NT, and Tasmania. In NSW, some of the awards covering child care, are the Local Government (NSW) Award 1995 and the Miscellaneous Workers Kindergartens and Child Care Centres (State) Award, both NSW state
awards. State awards also cover child care workers in Queensland and Western Australia.

While many of the conditions within these awards are somewhat different, the awards all follow certain basic principles adopted as part of award restructuring (Kelly 1994). Most notable is the classification structure which contains four grades of child care worker and several director levels. Each grade of child care worker corresponds to the level of responsibility the worker has within the workplace and the level of qualification they hold. As well within each grade there are several annual increments based on years of service. This model extends throughout all the awards and into many enterprise agreements.

The various child care awards provide for employment to be on a full-time, part-time or casual basis. In NSW, there is also provision for “temporary employment” but this is restricted to employment for no more than 2 years and no less than 20 days. Interestingly, the ability to employ higher numbers of casual and part-time workers has been seen by some in the industry as a necessary requirement for providing more flexible services. This is refuted by unions and educationalists on quality and equity grounds.

The awards vary in the degree to which part-timers and casuals can be used. In some of the awards casuals are expected to have their hours capped. This is the case in NSW (20 hours/week), Victoria (19 hours/week), ACT (24 hours/week) and Queensland (35 hours/week, though there are exceptions allowed). In WA, NT and Tasmania there is no restriction on how many hours casuals can work. In Victoria as well, part-timers are not to work less than 19 hours.

Minimum shifts, which protect employees from extremely short shifts, exist for part-timer and casuals in most of the awards. In the NT it is 4 hours for both part-timer and casuals. In NSW the minimum shift is 3 hours for part-timers and 4 hours for casuals. In the ACT it is 2.5 hours for both part-timer and casuals, though part-timers in OSHC have a minimum shift of 1.5 hours. Queensland has a minimum shift of 2 hours for both casuals and part-timers. The Victoria (Federal) award and the WA state award do not appear to have minimum shifts for part-timers and casuals.

Casual loadings, granted in lieu of annual leave, sick leave and public holidays, apply in all the awards, though the actual percentage is different. In Victoria and the ACT the loading is 25%. In NSW, Tasmania, NT and WA the loading is 20% while in Queensland the casual loading is 19%. NSW and NT also have 10% loading for part-timers though this is not replicated in the other awards.
FDC

As outlined below, FDC carers are self employed and as such are not covered by awards, although there is pressure within the industry to establish at least minimum conditions for these workers. FDC coordinators, however, are covered by both Federal and state awards. These include:

- Family Day Care Services Award
- Local Government Awards (The Family Day Care Association identified at least 11 awards covering workers at a state level)\(^\text{11}\)

Unions and Union Membership

The award restructuring and union amalgamation processes have seen many of unions such as the teacher’s and nurse’s unions drop out of child care or lose coverage of the child care sector.

What remains are two dominant unions, the Australian Liquor Hospitality and Miscellaneous Workers Union (ALHMWU), which maintains significant coverage of members who are in child care outside local government, and the Australian Services Union (ASU), whose various branches represent child care workers employed by local councils.\(^\text{12}\) The MEU (which has now amalgamated federally with the ASU) also has coverage, as does the Independent Education Union (covering teachers) and the various state Nurses Associations (covering mothercraft nurses and nurses). As already noted, a comprehensive jurisdictional breakdown across the various service types remains to be undertaken.

Union density appears to vary dramatically throughout the industry. In their case study of Lady Gowrie - Tasmania, Effective Change estimated union density between 70-80% in community-based long day care centres (ACIRRT, 1995b, p.115). However, in their survey Baker and Robertson found 38% of the 921 respondents identified themselves as trade union members (Baker and Robertson 1992, p.33). Discussions with union representatives suggest that union membership is reasonably low in OSHC and Occasional Care, while being higher in community based and local council LDC centres and lower again in private/commercial LDC centres.

\(^{11}\) See National Family Day Care Council (Aus) Inc. (1993) Award Coverage in Family Day Care: A Discussion Paper

\(^{12}\) Kelly (1994) argues that the award restructuring process in child care was primarily driven by a desire within the ACTU leadership to grant the ALHMWU coverage throughout child care, effectively freezing out other competing unions.
KEY INDUSTRIAL ISSUES CONFRONTING THE CHILD CARE SECTOR

Award Compliance and award coverage issues

While the operation of LDC and to a much lesser extent OSHC and vacation care are regulated both by industrial awards and state licensing regulations, there is no question that both awards and regulations act to standardise working conditions in LDC. Bennett (1991:31) argues that government regulations at a state level play an important part in determining conditions in the industry. Crucially, she argues that the specification of child-staff ratios, which specify minimum personnel levels, play a significant role in determining the workload and working conditions of staff. However, while the specification of regulations in the sector, and the presence of awards governing wages, conditions, overtime and breaks, the overall lack of bargaining power of workers, tight operating margins and often inexperienced management means that award non-compliance in the sector persists.

Award compliance continues to be an issue in the sector, despite the existence of industry awards. Indeed, trends suggest that any diminution of award coverage, or loosening of regulatory guidelines may - in some sectors - impact negatively on wages and conditions in the sector and may potentially lead to higher level of staff turnover.

Long Day Care

Little empirical evidence exists on levels of award compliance, but reports from union representatives interviewed suggest that while the situation with award breaches is not as extensive in LDC as it is for OSHC, award violations persist.

Margaret Young\textsuperscript{13}, the Executive Director of Lady Gowrie Child Centre in Sydney argued that child care was “an industry ripe for non-compliance”. Young argued that many employers (in the form of community based managers) had little idea of award entitlements or conditions, and that the child care workers were often unaware of their own entitlements and lacked the confidence, and communications skills to stand up for their rights.

Union representatives argued that while award non-compliance occurred in community-based centres, it tended to be more of a problem among some

\textsuperscript{13} Interview conducted 23.3.96; permission to quote from the interviewee
private/commercial centres who were operating on narrow margins and trying to make a profit. They claimed that award violations in these instances tended to be in the form of:

- using untrained staff to perform the work of more qualified staff
- encouraging workers to work without breaks and encouraging unacceptable levels of unpaid overtime

However, feedback from the commercial sector - while limited - raised different issues. Some of the issues raised about award coverage and staff costs included:

- inappropriate push from the public sector and academics for increased (and unnecessary) qualifications which are pushing up costs
- university qualifications are unnecessary in child care centres
- sick leave in the award is grossly excessive
- costs and administrative burden of rostered days off (RDOs)

**OSH C**

Feedback from some sectors of the industry suggests that failure to comply with awards is a key industrial issue confronting the sector. OSHC is characterised by less regulation and fewer licensing requirements than LDC. There is also strong dissatisfaction with current inequities in funding and subsidisation between LDC and OSHC and the pressure this places on the sector to keep wages and conditions to a minimum. Moreover, there is no national accreditation systems, and facilities, standards, quality and cost of care varies considerably between states, regions and even localities.

While minimum awards apply, there are also moves within the sector to improve award rates of pay conditions (Roe, Worthy, Newton, 1994:66; discussion with the LHMWU).

The types of **award breaches** in the sector were reported as widespread and included:

- expectations of staff to work unpaid hours by attending staff and management committee meetings, to purchase food, undertake administrative work and use their vehicle in staff’s own time and at their own expense
- expectation that training will be undertaken in staff’s own time
- reports of staff not being allowed to take rostered days off (RDOs), not receiving adequate breaks, unpaid stand downs over the holidays
• centres classifying at one level, but expecting higher duties performance
  (for example paying Grade 4 but expecting Grade 2 work performance)
• management increasing probationary periods

**Reasons** for persistent award non-compliance included:

• lack of management expertise and knowledge in both private and
  community based centres
• voluntary management which means that there can be broad variations in
  skill and knowledge
• high turnover of management, so that “custom and practice” become
  entrenched and award conditions can be wound back over time
• low levels of unionisation in the industry
• low status and poor understanding of industrial rights
• size of the workplaces are small and management often “paternalistic”
  where emotional pressures can be placed on workers to accept below
  award wages and conditions
• workplaces isolated and fragmented, so poor (but growing) industry
  knowledge of industrial issues and rights
• labour costs are a high component of the overall cost, so the greatest
  pressures is placed on cutting labour costs at the margins.

**Award coverage and Employment status for FDC workers**

Since the 1980s there has been significant growth in the area of Family Day
Care. Family Day Care is an increasingly important alternative for parents
looking for care in particular for under 2 year olds and for flexible forms of
care.

However, there are currently intense debates occurring about the
appropriateness of changing the employment status of FDC caregivers
(coordinators are employees of the sponsoring scheme). Indeed, there has
been a considerable political, legal and industrial process which has taken
place to determine whether FDC workers are (or should be) self employed,
independent contractors or employees\(^1\). Again, the scope of this paper
allows only a cursory glimpse at complex industrial issues which are likely to
prove to be highly significant over the next decade.

Currently, FDC carers are not covered by an industrial framework or award
and, therefore, are not entitled to provisions such as paid sick leave and
holiday leave. Historically the move towards trying to secure employee status

\(^1\) See National Family Day Care Council (1993); National Family Day Care Council (1995);
Gursansky (1994) for a full coverage of the issues involved in FDC
for these workers began in Victoria in 1980. In 1986 the Australian Taxation Office defined FDC carers as “self-employed” (NFDCC, 1993:7). After notification to the Australian Industrial Relations Commission by the MEU of a dispute, the AIRC in 1991 handed down the decision that the relationship between carers and the local council was not one of an employer and employee. (NFDCC, 1993:8)

In 1994, a Commonwealth government/union Working Party was established to investigate the possibility of granting employee status and award coverage to FDC workers. The Working Party’s Interim Report was released in March 1995. It set down the costs which would be incurred if FDC workers throughout Australia were granted five basic conditions associated with having employee status: workers’ compensation, superannuation, sick leave, annual leave and long service leave. The Report found that the cost would be $46.8 million a year or 20.5% of the then current cost of providing FDC. While the Working Party investigated the ways in which these additional costs could be dealt with, no course of action was recommended (FDC Working Party 1995). No pro-active recommendation arose from the Working Party and the recent change in government casts into doubt any further pursuit of the matter along similar lines. However, the NFDCC continues to develop and pursue the issue.

While nation-wide policy level changes have not yet been made in regards to the status of FDC workers, change has taken place closer to the ground. In the ACT, the ALHWMU and four FDC sponsors have negotiated a federal award for FDC workers which is to come into place in July of 1996. This award is essentially a “conditions-based award”, providing FDC workers access to superannuation, workers’ compensation, annual leave and sick leave. The parties are planning to phase in other conditions, such as work time arrangements, at a later time. The award further recognises existing arrangements among FDC workers, for instance, payment made on per child / per day basis rather than a time-based wage.

The debates about the employment status of FDC care is intense and are reasonably split between the position which asserts that transferring workers to employee status would be unacceptable on cost and flexibility grounds, and because many of the carers themselves are opposed to the shift. On the other hand, is the position which asserts that such a shift would recognise and improve the conditions for workers and the quality of care and recognise what many believe is an existing de facto employment relationship.

One of the major sticking points is likely to be the debate over who will be expected to bear the costs of such a shift. Again, one position asserts that parents and the state should not be expected to bear the additional costs of care when the push for the shift is coming from other than the carers; on the
other is the position which asserts that the carers - some of the most vulnerable and low paid in the community - should not be expected to subsidise the costs of care for either other workers or the state. In the current political environment it is likely that the issue will remain hotly contested.

**Hours of Work**

As in other industries, the issue of working hours and working time arrangements remains a neglected but emerging industrial issue, spurred on by the decentralisation of bargaining arrangements and the effective shift towards “deregulated” working hours outside of the award system\(^\text{15}\). The issue of working hours - both length and flexibility - is likely to emerge as a key industrial issue in the sector as pressures are brought to bear to look for cost savings.

**Current Arrangements And Issues**

At present, the standard working week within most of the major awards is 38 hours, though the *Queensland Child Care Award* contains provision for a 40 hour standard working week (except for Brisbane City Council child care workers who have a 38 hour week). Similarly most of the awards contain a specified span of ordinary hours.

McNeice, Moyle and Meyer (1995:p12) reported the following trend in hours worked:

- 57% worked 30 hours or more per week
- 31.6 % worked more than 40 hours per week
- 13% worked less than 10 hours per week
- 91.1% were paid workers
- 8.9% were unpaid (mainly in occasional care)
- The high proportion working more than 40 hours per week were mainly providers in FDC schemes.
- In contrast 43% of workers in OSHC worked less than 10 hours per week, as did a third of those in occasional care.

Outlined below is a snapshot of the “underwork” and “overwork” in the industry.

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\(^{15}\) See ACIRRT (1996) ADAM 8 and Heiler (1996)
Table 3
Percentage of employees working less than 10 hours and more than 40 hours per week

<table>
<thead>
<tr>
<th>Main service type</th>
<th>% who worked less than 10 hours per week</th>
<th>% who worked more than 40 hours per week</th>
</tr>
</thead>
<tbody>
<tr>
<td>LDC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community based</td>
<td>13.4</td>
<td>22.0</td>
</tr>
<tr>
<td>Private/commercial</td>
<td>11.2</td>
<td>27.3</td>
</tr>
<tr>
<td>FDC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coordinating staff</td>
<td>10.6</td>
<td>4.4</td>
</tr>
<tr>
<td>Providers</td>
<td>4.2</td>
<td>58.3</td>
</tr>
<tr>
<td>OSHC</td>
<td>42.9</td>
<td>0.6</td>
</tr>
<tr>
<td>Occasional care</td>
<td>32.1</td>
<td>6.2</td>
</tr>
</tbody>
</table>

Source: McNeice et al. (1995:14)

Child care workers: "Underemployed and over worked?"

What the above table reveals is a pattern of "overwork" in some areas (particularly FDC and LDC) and potential underemployment in others (OSHC), primarily caused by employees working split shifts. This pattern of "underwork" is typical of trends detected among part-time workers in general. For instance:

- 26.1% of part-time workers indicated they preferred to work more hours (ABS, Cat. No. 6203.0 Labour Force Australia November 1995)
- 92% of employed persons who would prefer to work more hours were usually part-time workers.
- 8% were full-time workers who worked less than 35 hours in the reference week for economic reasons. (ABS, Cat. No. 6203.0 Labour Force Australia, February 1995)

This "underemployment" in some services is conversely combined with increased work in other sectors such as FDC and LDC. Again, this is in keeping with increasing trends towards higher levels of total number of hours worked in general and an increase in unpaid overtime (detailed later) across industries.

- While there was no immediate employment growth following the 1990-91 recession, there was a substantial increase in the total number of hours worked by employed persons.
• Between June 1991 and June 1993 the total number of hours worked per week by employed persons rose 5.3%.

The problem of unpaid overtime has been raised in several pieces of research and the high propensity of child care staff to work over 40 hours would reinforce that this as a major issue within the industry (Baker and Robertson 1992, p.35). Expectations such as staff meetings, parent meetings and, more recently, accreditation meetings, mean many child care workers are expected to attend such meeting without pay because it is in “non-contact” time. The evaluation of QIAS noted considerable unpaid time by staff was spent as part of the accreditation process (Coopers and Lybrand, 1995: p.12).

In a more positive development, enterprise bargaining among progressive employers has acknowledged this as in issue. For example, the Lady Gowrie-Tasmania Enterprise Agreement has recognised that accumulating days in lieu for overtime worked was inoperative as the opportunity to take the time in lieu was never viable. As such employees are expected to receive paid overtime. In order to deal with staff meetings as unpaid work, the agreement explicitly declared that staff meetings are considered part of paid time. It would appear that the industry is beginning to recognise that if child care workers are to become involved in administrative activities then such work needs to be recognised as part of paid responsibilities, rather than unpaid work being an “accepted part of the job” (Coopers and Lybrand 1995, p.12).

“Minimum” shifts

In LDC centers, minimum shift arrangements are of 4 hours duration, while in OSHC the minimum shift duration are 2 hours. Similarly, issues were identified in relation to OSHC where staff were only needed for a specific times of the year and the practice of forced down time was in evidence. Currently staff in these areas are often employed on a casual basis, which incurs a casual loading. In these instances, employers want to be able to put staff on permanent part-time appointments (with no loading) where staff are only employed for certain times of the year. This would create a situation where workers were de facto casuals without the loading.

Low Relative Pay Rates And Status

Feedback from the sector suggests that low relative pay rates continue to be an issue within all sectors of the industry, primarily among untrained staff and staff below the level of teacher and director/coordinator.

This is confirmed by an examination of the relative ordinary and average weekly earnings of where child care workers, child care coordinators and
teachers\textsuperscript{16}. For instance, if these positions are compared with a range of female occupations such as speech pathologists, nurses, social workers, registered nurses, enrolled nurses and machine operators, kitchen hands and cleaners, the following relativities emerge.

**Table 4**

<table>
<thead>
<tr>
<th>Minor Occupation group (female)</th>
<th>Average weekly ordinary time (earnings $)</th>
<th>Average weekly earnings ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Psychologist</td>
<td>1158.70</td>
<td>1158.70</td>
</tr>
<tr>
<td>Quantity surveyor</td>
<td>938.00</td>
<td>938.00</td>
</tr>
<tr>
<td>General medical practitioner</td>
<td>868.80</td>
<td>1077.70</td>
</tr>
<tr>
<td>Registered nurses</td>
<td>709.50</td>
<td>719.70</td>
</tr>
<tr>
<td>Primary school teachers</td>
<td>709.10</td>
<td>709.10</td>
</tr>
<tr>
<td>Speech pathologist</td>
<td>683.30</td>
<td>684.50</td>
</tr>
<tr>
<td>Social workers</td>
<td>681.10</td>
<td>689.90</td>
</tr>
<tr>
<td><strong>Child care coordinators</strong></td>
<td><strong>672.90</strong></td>
<td><strong>672.90</strong></td>
</tr>
<tr>
<td>Pre school primary teachers</td>
<td>602.40</td>
<td>606.00</td>
</tr>
<tr>
<td>Enrolled nurses</td>
<td>532.30</td>
<td>536.30</td>
</tr>
<tr>
<td>Cook</td>
<td>479.80</td>
<td>485.90</td>
</tr>
<tr>
<td>Metal fitter and machinist</td>
<td>459.60</td>
<td>502.30</td>
</tr>
<tr>
<td>Sales assistant</td>
<td>441.60</td>
<td>458.20</td>
</tr>
<tr>
<td>Kitchenhands</td>
<td>437.80</td>
<td>458.70</td>
</tr>
<tr>
<td><strong>Child care, refuge worker</strong></td>
<td><strong>435.30</strong></td>
<td><strong>439.90</strong></td>
</tr>
<tr>
<td>Hairdressers</td>
<td>435.30</td>
<td>442.40</td>
</tr>
<tr>
<td>Truck driver</td>
<td>419.50</td>
<td>488.50</td>
</tr>
<tr>
<td>Cleaners</td>
<td>409.50</td>
<td>416.90</td>
</tr>
</tbody>
</table>

Source: ABS, (1994), Cat. No. 6306.0 *Employee Earnings and Hours, Australia*

The *low relative pay rates* of untrained workers in the sector is viewed with concern by most industry representatives.

Bennett (1991:31) noted the poor pay relativities in the sector, when she observed that untrained child care workers were paid below attendants employed exclusively in female lavatories. Kelly (1994:4) argues that behind the low pay and status of child care workers are perceptions of the work as low-skilled and merely as an extension of the "natural" role of women, that of a mother. She argues that there is an inherent bias against the valuation of skills of those who teach very young children and that the bias against child care workers is compounded by the view of their work as simply "child minding". Kelly argues that this view fails to recognise their responsibilities in managing the complex interaction of the physical, emotional and intellectual development of children in their care (p.5).

\textsuperscript{16} ABS (1994) Cat. No. 6306.0 *Employee Earnings and Hours, Australia*
In September 1990, the full bench of the Australian Industrial Relations Commission handed down the ACTU/FMWU test case for child care workers where the Metal Industry Classification became the basis for the various classification rates in the award. By agreement between the ACTU, the FMWU and the Canberra Association of Community Based Children’s Services, the Engineering Tradespersons Level 1 in the Metal Industry Award was chosen as the appropriate comparison for a level 3 child care workers with one year’s experience (Bennett, 1991:320). Kelly (1994) argues strongly that rather than the outcome of this test case being seen as a victory for female workers - as is commonly the case - that the decision effectively undercut existing, if de facto wage rates in the industry. Further, that it precluded an examination of the dichotomies between men’s work and women’s work which would have allowed the valuation of entry level child care workers at the bottom of the occupational hierarchical (as happened) to be challenged. She thus considers the test case a continuing example of the downgrading and lack of recognition of the skill involved in early childhood work.

Interviews with the industry suggest that, if anything, the situation is even worse in the OSHC sector, where poor conditions and status continue to be compounded by lower levels of government subsidisation, shorter minimum shifts, split shifts and lack of adequate licensing and accreditation. For instance, it was reported that most staff were paid as if “untrained”, even if performing at higher levels, that the allowance for travel between split shifts was woefully inadequate at $4.70 per week and that minimum shifts of 2 hours reduced overall earnings.

Some additional problems associated with low pay rates identified by industry professionals and practitioners were:

- low status associated with low rates of pay
- promising workers resign to take up better paying directors positions in other centres
- workers leave the industry altogether
- pay does not compensate for high levels of stress and responsibility in day to day work
- high levels of unclaimed and unpaid overtime
- any moves to increase wages and conditions of workers in the sector will impact on the cost of care
- management of many community based child care services is generally dominated by parent users who also act as the legal employers of the service who may have a conflict of interest - on the one hand wanting to keep their own costs of care down by not encouraging over award
wages, while on the other having a role in reducing turnover and maintaining quality staff

- many professionals mentioned that child care workers, by receiving relatively low pay, are being implicitly expected to subside the cost of care for other workers within the community
- the emotional attachment many workers have to quality care for children is used to discourage them from seeking higher rates of pay and better conditions
- the "hands off" role that the state plays with regard to funding of child care (with the mixture of parent fees, subsidisation and community management) allows them to escape responsibility for the low rates of pay, a situation the state has more difficulty with in teaching and nursing.

Significantly for future trends in the child care sector, the continuing poor status and pay rates are viewed as likely to compound existing and projected problems associated with turnover and recruitment in the industry. Given the projected demand trends within the industry, this trend should be viewed with concern.

**Labour Supply Problems**

**Staff Turnover**

The issue of staff turnover was seen by most industry representatives as impacting on both cost and quality in the child care sector. The perceived problem of staff turnover in the child care sector is supported by a number of studies.

In their report, Baker and Robertson (1992) noted that child care did have a somewhat higher annual turnover rate (17%) than the broader community services sector (13%) and across all industries (14%) (pp.70-1). While noting that some turnover was expected (and in some instances perceived as beneficial), high levels of turnover were associated with additional costs and often a declining quality of care as experienced workers left. High turnover has further implications in that it impacts negatively on continuity and thus quality of care.

Lim (1996:22) notes that attrition (exit from the occupation or study) is traditionally high among child care workers. Citing a 1990 study by Community Child Care Co-operative he noted that the major reasons indicated for leaving were:

- career motives (better paid and improved positions)

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17 See Lim (1996)
• personal factors
• demanding working conditions

In Lim's study of supply issues, he also found that most state child care contacts reported 'wastage' or attrition, citing reasons such as stress, burnout, low pay. However, feedback from the EPAC briefing session reported that the national accreditation process was leading to higher levels of job satisfaction and potential lower turnover rates.

The problem of staff turnover, despite requiring further empirical investigation, points to problems within the sector. Industry professionals and practitioners interviewed for this study confirmed that while there were often personal reasons why staff left, the poor pay for workers under coordinator or teacher encouraged promising workers to move on quickly. The combination of staff turnover, combined with the recruitment difficulties in some states, of recruitment, suggest that these issues are creating unnecessary costs for the industry and impacting negatively on the quality and continuity of care. It also suggests that any further erosion of wages and conditions may lead to a compounding of turnover and recruitment problems.

**Staff Recruitment**

Lim (1996:12) notes that some of the demand factors for qualified child care workers include:

• state child-staff ratios
• the number of child care centres
• the number of licensed places and the number of children in formal child care.

Added to this would be factors such as:

• National accreditation
• increased parental expectations for qualified staff in centres.

Lim (1996:14) also speculates that demand for trained child care workers is likely to increase over the next few years, driven by a steady upward trend in female participation rates and the continued growth in child care services.

Lim (1996) also looks at the supply of qualified child care personnel. He says that while there has been an increase in trained child care workers entering the system since the late 1980s, supply is being compromised primarily by TAFE's inability to offer additional course due to budgetary and capital facility constraints.
Lim (pp 26,37) postulates that strong demand for, and shortage of, child care workers in Queensland, Western Australia and Northern Territory and minor shortages in NSW, with acute problems occurring in country areas has not been alleviated primarily because of the unprecedented growth in commercial centres, and enrolled students finding work in other areas.

Anecdotally, industry professionals confirmed problems with the recruitment of both appropriately trained and untrained staff. Reasons were seen to be the low pay levels, the departure of recently trained staff to different industries, and the inadequate numbers being trained.

**IMPACT OF FUTURE INDUSTRIAL RELATIONS REFORM: FOCUS ON ENTERPRISE BARGAINING**

The shift towards decentralised bargaining arrangements at state and Federal levels has devolved responsibility for decisions about wages and conditions to the workplace level. Underpinning this shift is an assumption that the enterprise or workplace level is where these issues are most cooperatively and responsively managed. Advocates argue that the enterprise bargaining reforms are intended to bring about a more decentralised and/or deregulated form of industrial regulation which will arguably result in greater productivity, flexibility and responsiveness in the workplace.

However, despite the promise of enterprise bargaining and the emergence of some progressive agreements, concerns about the impact of enterprise bargaining on industrially vulnerable workers, including women, continue (Hall and Fruin, 1994; Lee, 1994; Boreham et al. 1995; Junor, 1996).

Recent empirical work examining the impact on OHS has also uncovered disturbing levels of work intensification, a marginalisation of work quality issues and widespread attempts at narrow cost-cutting and trading away of conditions (Heiler, 1996).

Indeed, the Department of Industrial Relations own report card on the result of workplace change (DIR, 1995) suggests that:

- stress levels are higher across all occupations and industries
- there has been a reduced overall satisfaction with balancing work and family responsibilities
- employees are working longer hours
- employees feel that they have reduced job security
• employees believe that they are working harder
• satisfaction with management is reduced
• most employees feel they are only marginally better off since changes were introduced

Nevertheless, enterprise bargaining now appears to be an entrenched feature of the Australian industrial relations landscape, and with the recent election of a Coalition Federal Government, the scene is set for a further loosening of award structures, a diminution of the role of the AIRC and of trade unions and a further shift towards workplace and individual contracts.

Given that enterprise bargaining is not as yet widespread in the child care industry, and the lack of case study work in the area\textsuperscript{18} much of what follows is either anecdotal or speculative.

**Bargaining in the Child Care sector**

As mentioned, enterprise bargaining has not been widespread within the sector although it appears to be spreading. What should be noted is that while the extent of registered agreements is still small, there is likely to be - as is common in other industries where small business predominates - a high level of informal bargaining over the determination of conditions. As outlined in the section on award non-compliance, there appears to be level of informal workplace negotiation already in existence, and at least some of it is about cost-cutting. However, interviews with some industry professionals suggested that some above award payment of wages is occurring in the private/commercial sectors in order to retain staff.

Even so, while some agreements have been negotiated and certified-both registered and non-union agreements - most centres continue to rely heavily upon the awards to determine their minimum wages and working conditions. Other agreements have emerged in the local government area and a number of EFAs have been registered. Also, enterprise bargaining remains heavily concentrated in specific sectors. For the most part, enterprise bargaining has remained concentrated in areas such as manufacturing, mining, transport and the broader public sector.

A review of nearly 1500 enterprise agreements on the Agreements Database and Monitor (ADAM), ACIRRT’s enterprise agreements database yielded only 16 agreements in the child care sector. While some child care workers are covered by council-wide enterprise agreements in local government, this data from ADAM notes limited activity in negotiating enterprise agreements in child care. As such, the current awards remain critical in determining *minimum* wages and working conditions for most within the industry.

\textsuperscript{18} With the exception known to the author of Baxter (1994) and ACIRRT (1995b)
For the few agreements that do exist, there are some trends emerging:

- Several of the child care agreements are non-union agreements. Federal "non-union" Enterprise Flexibility Agreements (EFAs) include Robin Hood Child Care - Tasmania; state examples include Queensland EFAs such as Benowa Children's Centre and the NSW non-union agreements at UTS Child Care Centre.

- There is a range in detail. Some, such as the Georges River Centre and the Roselea Student Care Centre NSW EAs only cover single issues, while other agreements such as the UTS Child Care and the Lady Gowrie Tasmania - ALH MWU Agreements cover a wide range of employment issues.

Three main issues are covered within enterprise agreements which depart from the award. These are:

**New Hours of Work - Scheduling Arrangements**

- RDOs have been replaced in one agreement with 12 additional annual leave days.
- One agreement covered only one clause, which was to engage part time and casual employees for a minimum of 1.5 hours for each start. (The award stipulates a minimum of four hours).
- The Lady Gowrie Tasmania Agreements enacted new break arrangements and also recognised that time spent at staff meeting after hours was to be paid.

**Simplifying Remuneration**

- One agreement offered access to other benefits such as child care services and increased superannuation, in lieu of equivalent salary (salary packaging)
- In one case, leave loading was abolished and replaced with an end of year bonus of 70% of ordinary weekly pay.

**Increasing Managerial Discretion**

- Centre management has more discretion over determining starting and finishing times.
- One agreement had discretionary probation period of 3 months, during which time dismissal could be at one day's notice. The award and other agreements have one month probation period.
As can be seen from the above trends, bargaining to date has focused on relatively narrow issues and with the exception of the Lady Gowrie and UTS agreements, have been narrowly cost-cutting in their orientation.

**Bargaining “Capacity” In The Child Care Sector**

ACIRRT’s report on the likely impact of enterprise bargaining on occupational health and safety (OHS) (Heiler, 1996) looked at the issue of the “bargaining capacity” of workplace players and found that, overall, the parties were not well placed and did not have the “bargaining resources” to undertake bargaining which would ensure positive outcomes, particularly for employees. There were a range of reasons for this which included (pp.136-160):

- ineffective or non-existent consultative structures
- lack of negotiating experience
- a cost-cutting agenda for bargaining
- skills and knowledge of the bargaining parties were generally poor
- workplaces where there are large numbers of part-timers and casuals tend to be marginalised in the bargaining process

Many of the industry practitioners and professionals raised similar concerns about the likely expansion of enterprise bargaining throughout the child care industry. Most concerns focused on the following:

- Poor levels of understanding of industrial rights among child care workers
- Poor understanding of existing award conditions
- Lack of knowledge among employers of award conditions and industrial issues
- Weak bargaining positions as a result of the often “paternalistic” management styles and structures in services
- Small size of most workplaces and their isolation from other workers in the industry
- tendency of some private and commercial services to focus on cost-cutting
- productivity bargaining in a service sector industry primarily concerned with quality will be highly problematic

In summary, the profile of the child care sector industrially is one where low pay, poor status and award non-compliance are an issue. Moreover, enterprise bargaining has not impacted strongly to date, but recent examples suggest a focus on narrow cost-saving issues and attempts to cut labour costs at the margins.
PART 3: FLEXIBILITY AND FUTURE CHILD CARE SERVICE PROVISION

EXISTING INFLEXIBILITIES IN CHILD CARE PROVISION

There is an acceptance that the majority of child care services are structured around a “standard” working day, week and year. That is, services (such as LDC and OSHC which focus on the children of working parents) are structured around workers who work a standard 48 week year, a 5 day week and an 8 hour day. Some services do make provision for part-time workers in terms of the number of days able to be used, but most do not.

There is growing recognition that the “standard” patterns of work are being transformed and that the principle of a “standard” working pattern is irrevocably changing. There are further questions being raised about whether the structure of current child care provision is meeting, and can meet, the changing needs of the workers.

Research undertaken by the Work and Family Unit in the Federal Department of Industrial Relations, reported the existence of a number of barriers associated with the current usage patterns of formal types of care. These included:

- cost
- preference for a known carer (continuity of care)
- cultural needs
- inflexibility of services to meet the needs of non-standard hours workers
- parents with school age children encountered different sets of problems
- specific problems for shiftworkers with Child care responsibilities

Other commentators (for example Biggs, 1994) have argued that the “standard” model of care is not responding to those workers who work outside 9am -5pm, who work shift work, those who work casually or on call, part-time workers who want part-time care, and women returning to work earlier.

The NSW Law Reform Commission Report (1994:56) outlined that submissions to their enquiry raised the following flexibility issues:

19 *Work and Family, Issue No 10, December 1995*
current services do not meet the needs of children of parents whose paid working patterns do not fit the standard nine to five, Monday to Friday, 48 weeks per years model. In particular these included:
- part-time workers
- casual workers
- shift workers
- seasonal workers

The report pointed out that very few centres are open prior to 8.00am or after 6.00pm and that those that are have great difficulty remaining financially viable. The report outlined that centres prefer parents wanting or being prepared to pay for full-time care because it is easier to administer and avoids the problems of unfilled sessions. Parents often end up paying for a full week or a full day in order to secure the place even though they may not use it.

The Auditor-General’s Report (Roe, 1994:64) outlined the following problems associated with service provisions across the sector.\(^{20}\)

**OSHC**
- lack of appreciation of blue-collar work patterns which led to underutilisation in these areas
- lack of coordination between services which may lead to better usage and service
- difference in service provision with some offering vacation care and others not

Other flexibility issues reported mentioned were:
- most services extend to 6.00pm only
- vast differences in the quality and cost of services
- some services require booking in advance which does not take into account unpredictability in work patterns
- OSHC and vacation care being inappropriate for older primary aged children

**LDC**

Other service provision problems related to flexibility included:
- inability of parent users to purchase fewer number of days per week

\(^{20}\) Note: these issues do not take into account the real constraints on these sectors - these are dealt with further on in the paper
• inability to book for extra usage outside of standard days (no weekend care)
• no extended hours care (with some exceptions)
• no capacity to extend days or hours at short notice

Before looking at the capacity of the sector to respond more flexible, we will preview the types of changes to standard working hours which are likely to impact on child care usage patterns. These trends fall into the following main categories:

• changes to working hours and working time arrangements including: increased weekly hours, increased overtime, shiftwork, increased “flexibility”
• changes to the structure of employment

It will be seen how these changes are creating pressures on workers in terms of:

• needing longer hours of care
• being less able to predict the length and structure of the care required.

Both of these factors are likely to come into conflict with the existing structure of child care provision.

TRENDS DRIVING CHILD CARE USER DEMAND FOR CHILD CARE SERVICE FLEXIBILITY

A) Increase In Average Weekly Hours Of Work

Increase In Average Hours Per Week

The first major trend with the potential to impact on child care provision is the trend in Australia towards longer weekly hours of work. While ordinary hours of work for full-time employees have fallen over this century, the anticipated trend towards a shorter working week has not in general been realised.

A lengthening of the average working week will mean that “standard” hours of work will lengthen on a regular basis and may well increase user demands on child care services for longer standard hours of care per day or per week

The following tables provide an overview of the upward trend in hours of work in Australia since 1966.
Table 5

Average Weekly Hours Worked by Full-time Employees, August 1966-1995

Sources: All data has been gathered from ABS Labour Force Survey Catalogues in August of each year. In the interests of consistency ABS consolidated time series have been used wherever possible. The references for the different periods are as follows:


Wooden et al. (1994) outline an increase in average weekly hours of full-time workers since 1966, confirming the upward trend for both men and women. This is presented below

Table 6

Increase in average weekly hours by sex

Source: ABS, The Labour Force, Australia (ABS Cat No. 6203.0), various issues
Table 7

Average Overtime Hours Per Employee Per Week, 1977-1995

Source: ABS, Australian Economic Indicators, (Cat. 1350), February, 1996.
Note: This measures "paid overtime".

Table 8

Average weekly hours worked by full-time workers by occupation

<table>
<thead>
<tr>
<th>Occupation</th>
<th>1986 weekly hours</th>
<th>1994 weekly hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers and administrators</td>
<td>51.0</td>
<td>52.0</td>
</tr>
<tr>
<td>Professionals</td>
<td>41.3</td>
<td>44.0</td>
</tr>
<tr>
<td>Para-professionals</td>
<td>37.4</td>
<td>39.7</td>
</tr>
<tr>
<td>Tradespersons</td>
<td>39.6</td>
<td>42.4</td>
</tr>
<tr>
<td>Clerks</td>
<td>36.0</td>
<td>38.1</td>
</tr>
<tr>
<td>Salespersons and personal service workers</td>
<td>41.4</td>
<td>42.4</td>
</tr>
<tr>
<td>Plant and machine operators and drivers</td>
<td>40.2</td>
<td>38.1</td>
</tr>
<tr>
<td>Labourers and related workers</td>
<td>37.8</td>
<td>42.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>40.5</strong></td>
<td><strong>43.0</strong></td>
</tr>
</tbody>
</table>

Source: ABS (1995) catalogue No 4102.0

The tables reveal that standard, average hours for full-timers have increased since 1984 and suggests that the trend toward a shorter working week which was advocated in the late 1970s and early 1980s in Australia is not being realised for full-timers. It also suggests that the increase in hours cannot be explained by increased levels of paid (and therefore more predictable) overtime.
39 s/s
Distribution Of Hours

The following table outlines the distribution of weekly hours worked by full-timers by sex and illustrates how the standard working week, around which child care provision is normally structured, is changing.

It is important to note that the vast majority of full-time workers are now working well over 40 hours per week and that over a quarter of both men and women are working over 49 hours per week.

Table 9

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>0 (a)</td>
<td>4.7</td>
<td>3.7</td>
<td>4.7</td>
<td>4.1</td>
<td>4.7</td>
<td>3.9</td>
</tr>
<tr>
<td>1-34(a)</td>
<td>10.1</td>
<td>8.4</td>
<td>11.7</td>
<td>11.1</td>
<td>10.6</td>
<td>9.3</td>
</tr>
<tr>
<td>35-39</td>
<td>18.9</td>
<td>16.2</td>
<td>29.3</td>
<td>30.2</td>
<td>21.9</td>
<td>20.7</td>
</tr>
<tr>
<td>40-48</td>
<td>44.1</td>
<td>38.6</td>
<td>45.1</td>
<td>39.5</td>
<td>44.4</td>
<td>38.9</td>
</tr>
<tr>
<td>49 and over</td>
<td>22.2</td>
<td>33.1</td>
<td>9.1</td>
<td>15.1</td>
<td>18.4</td>
<td>27.3</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: ABS (1995) Catalogue no 4102.0
(a) Full-time workers may have worked less than 35 hours in the survey due to leave, illness, bad weather etc

The above table highlights some important trends which may have potential significance for future child care demand:

- The majority of full-time workers now work more than the "standard" 40 hour week upon which many child care services are structured (ie the 7am - 6pm window)
- One third of men and 15% of women full time workers now work over 49 hours per week
- While men are more likely to work more than a standard working week, the percentage of women full time workers who working over 49 hours per week has increased from 9.1% in 1984 to 15% in 1994.
- None of these figures include travelling time to and from work which increases the length of time needed to cover child care

B) Increase in worked overtime in Australia

The second major trend is associated with the increase in hours is an increase in overtime, in particular in unpaid overtime, which is being worked on a regular weekly basis.
The key significance of the increase in overtime which is either unpaid or which is collapsed into salary packages is that it is less likely to be structured, planned and predictable. It is therefore likely to create pressures on workers with children for greater short-term flexibility in the hours of care primarily because the care required will be much more difficult to plan for and predict.

Teasing out patterns in overtime is important for understanding likely changed demand for child care for a number of reasons:

- Standard hours of work can enable likely child care demand to be predicted and planned for by the user
- Unpaid overtime is far more likely to be unplanned and sporadic and may lead to unanticipated, unpredictable demand for child care
- Most child care provision assumes that users will be able to predict their child care needs in terms of hours; most child care services - for a range of reasons - are not willing or able to respond flexibly to unpredictable patterns of demand

Table 10 outlines the breakdown in overtime by occupation for full-time workers by form of payment. This reveals that the majority of overtime worked is either unpaid, or is being collapsed into a salary package.

### Table 10

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Paid overtime</th>
<th>Included in salary package</th>
<th>Time off in lieu</th>
<th>Unpaid overtime</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers &amp; administrators</td>
<td>6.2</td>
<td>42.7</td>
<td>2.3</td>
<td>48.1</td>
</tr>
<tr>
<td>Professionals</td>
<td>10.2</td>
<td>28.3</td>
<td>4.7</td>
<td>56.0</td>
</tr>
<tr>
<td>Para-professionals</td>
<td>41.3</td>
<td>17.6</td>
<td>8.2</td>
<td>32.0</td>
</tr>
<tr>
<td>Trades-persons</td>
<td>74.1</td>
<td>9.0</td>
<td>1.8</td>
<td>14.6</td>
</tr>
<tr>
<td>Clerks</td>
<td>36.7</td>
<td>16.8</td>
<td>8.7</td>
<td>37.5</td>
</tr>
<tr>
<td>Salespersons/personal service workers</td>
<td>29.4</td>
<td>25.8</td>
<td>3.7</td>
<td>38.9</td>
</tr>
<tr>
<td>Plant &amp; machine operators &amp; drivers</td>
<td>86.6</td>
<td>5.7</td>
<td>1.2</td>
<td>6.1</td>
</tr>
<tr>
<td>Labourers &amp; related workers</td>
<td>79.0</td>
<td>8.3</td>
<td>1.8</td>
<td>10.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>39.9</strong></td>
<td><strong>21.0</strong></td>
<td><strong>4.0</strong></td>
<td><strong>34.3</strong></td>
</tr>
</tbody>
</table>

Source: [ABS (1995) 6342.0.40.001 Working Arrangements Australia, August 1995]

The table above reveals a number of trends which may have potential significance for child care demand:
• Large numbers of employees - including women - are working unpaid overtime or overtime which is included in their salary package. This overtime is likely to be less predictable and demand patterns may fall outside of current patterns of child care provision.
• While managers and professionals are working overtime, the surprising trend is that so many workers in sales, personal services and clerical occupations - areas traditionally dominated by women - are also working unpaid overtime.

Workers With Children

The impact of paid and unpaid overtime can be assessed more fully if those workers with children under the age of twelve (those most likely to need the various forms of child care) are analysed.

As of August 1995

• 30% of persons with children under the age of 12 years regularly worked overtime had children under the age of 12 years

Of these:

• 24% of females who had children under 12 years of age regularly worked overtime
• 75% of males who had children under 12 years of age regularly worked overtime.
• This figure has remained relatively stable since 1993

C) Shiftwork And Extended Hours Work

Combined with trends towards longer working days and working weeks, is evidence that various types of formal shift arrangements are also re-emerging as popular ways of responding to other market pressures in the economy. Factors such as deregulated retailing hours, twenty-four hour production runs, pressures to provide customer service 24 hours per days (for example in finance) and the internationalisation of the Australian economy have all increased pressure to operate over and above what used to be thought of as “standard” hours of work.

According to Work and Family (1995), shiftwork is usually defined as:

---

21 ABS (1995) Working Arrangements August, Catalogue Number 6342.0.40.001
22 Formal shift arrangements should be differentiated from other working time arrangements which increased the span of hours and may result in shift-work like arrangements, but without the formal planning and rostering usually associated with formal shift arrangements
• a system of falling outside of the normal spread of hours fixed by awards for day workers
• a system whereby one shift of workers is replaced by another (as in continuous shift work)
• a system where workers are permanently working a shift outside normal business hours

The August 1995 ABS Working Arrangements profile outlined that in the four weeks before the survey:

• 15% of all employees had worked shift work
• part-timers were more likely (17%) to have worked shift-work than full-timers (14%)
• occupation more likely to have worked shift work included para-professionals (44%), plant and machine operators and drivers (31%)
• industries where shift work was most likely to worked overtime were mining (46%) and health and community services (36%)
• the most common types of shift arrangements were, in order, rotating shifts, regular evening/night, irregular, regular afternoon, regular morning and split shifts.

Child Care Problems Of Shiftworkers

It is easy to understand that shift workers will find difficulties locating child care arrangements to suit their regular out of standard hours work. Services, as mentioned above, are set up to cater almost exclusively to cater for workers within standard hours, and with the exception of some hospital based services who do provide limited extended hours care and flexible booking to cope with rostering arrangements of nurses and doctors, shiftworkers in other industries make do with a variety of arrangements.

Work and Family (1995) reported research which identified the following specific problems for shiftworkers with children:

• 42% had difficulties finding care when needed
• 42% experienced difficulties due to roster changes
• 51% were not able to work extra hours or overtime because of child care constraints
• 39% had problems in being delayed at work and picking children up
• inadequate notice of roster changes. The survey found that 46% of workers (both with and without children were given one week or less notice of change in their roster
• casual workers need only be given one hours notice of change of shift which can create problems with child care
These factors create problems because many child care services require advance bookings for changes to child care arrangements, some users may find it impossible to vary days booked altogether. Clearly, additional problems emerge for workers on “flexible” rosters who may find it particularly difficult to predict usage, let alone find out of hours care. For these workers, the FDC system offers the greatest potential flexibility in terms of hours of care.

Extended Hours Work, “Flexibility” And Enterprise Bargaining

While there are child care flexibility issues associated with formal shift arrangements, and longer average hours of work, there are trends emerging under enterprise bargaining, in different industries, which are highly significant.

Within registered enterprise agreements there are hours flexibility provisions which are often open-ended and unstructured, and which have the potential to introduce both extended hours work and shift-work like hours but without the same level of formalisation and planning as formal shift arrangements.

These more open-ended flexibility provisions have the potential to make child care planning for parents difficult because of the unpredictability of the hours they may be working. Depending on who makes the decisions about how hours are organised, these more open-ended or flexible arrangements can potentially create different types of child care demand, primary among them being the inability to predict child care need on a daily or weekly basis.

An outline of the trends emerging within registered enterprise agreements illustrates the extent of flexibility provisions associated with hours. A snapshot is as follows:

Provisions appearing in agreements in a range of industries include:

- flexibility in starting and finishing times
- increasing the span of ordinary hours
- averaging of hours over week, months, 12 months
- staggered starting and finishing times (on regular or irregular bases)

---

23 Note that similar trends are likely to be occurring in un registered and informal workplace bargaining. ADAM, however, deals with registered agreements.

• flexible working time arrangements
• changes to rostered days off
• flexibility in rest and meal breaks
• changes to shift work provisions

Extent of flexibility provisions in agreements
• There are almost 100 clauses associated with flexibility in hours and working time arrangements in agreements
• Over 70% of agreements on ADAM included provisions associated with hours of work

The trends in registered agreements towards greater flexibility in hours is supported by recent ABS August 1995 statistics on working arrangements. For instance:

• 64% of employees had fixed start and finish times
• 36% of employees had start and finish times which were not fixed, up from 21% in August 1993
• 21% of females and 26% of males had starting and finishing times which were not fixed (up from 19% and 24% in 1993)

The implications of increased flexibility in working time arrangements.

While increased working time flexibility can be one of the most appropriate and effective way of juggling work and family responsibilities, particularly for women workers - there are some complications which can arise with the way in which flexibility in the workplace is organised, particularly under enterprise bargaining (Boreham et al. 1995; Heiler, 1996).

The problems with flexibility arise when the flexibility is primarily enterprise oriented, rather than worker oriented (Campbell, 1994) and when it results in increased managerial discretion and control over hours of work (Junor, 1996). Indeed, flexible working hours and leave options which are “job-protected” to meet routine and unexpected demands of family life are the most commonly mentioned benefits desired by working parents (Wolcott. 1993:11). However, the benefits of flexibility can be lost if flexibility in the workforce is implicitly swapped for an agreement to work longer hours, or are organised in such a way that workers find it difficult to plan and predict when they may have to work. This can create problems for child care provision. These problems can include:

• being expected to work longer hours in a day without it being planned (especially if after standard child care hours)
• having to work extra days in the week without notice
• inadequate workload planning being undertaken to ensure that work will fit into the hours workers are contracted to work; this will lead to unplanned lengthening of working days
• having to work weekends to finish work unable to be finished during the week.

In summary, we can see that the combination of the following trends:

• longer average hours
• longer overtime hours, especially of unpaid nature
• increased flexibility and open-ended nature of working hours

which may produce user problems for child care in terms of the need for non-standard and longer hours of care, and less ability to predict the hours of care needed.

The Changing Structure Of Work

In addition to the changes in working time arrangements, there are continuing trends towards non-standard employment structures which depart from the standard permanent full-time or part-time structure. These trends include:

• increasing workforce participation of females with children aged 0-12 years
• increases in part-time and casual work, particularly among women
• increase in other "non-standard" work such as contract work, seasonal work and "on call work".

Workforce Participation Of Females

The rates for female and male participation are a sharp reminder of the relationship between the expansion of child care and the entry of women into the full-time and part-time workforce.

It is important to note that while increased female participation rates will sustain demand for child care, these new female workers are also likely to be working the new flexible work arrangements outlined above. These trends are outlined below:
Table 11
Participation rates for males and females

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation rate</td>
<td>60.5</td>
<td>61.4</td>
<td>62.2</td>
<td>63.5</td>
<td>63.0</td>
<td>62.8</td>
</tr>
<tr>
<td>Male participation rate</td>
<td>76.5</td>
<td>75.9</td>
<td>75.3</td>
<td>75.5</td>
<td>74.4</td>
<td>73.6</td>
</tr>
<tr>
<td>Female participation rate</td>
<td>45.0</td>
<td>47.4</td>
<td>49.4</td>
<td>51.9</td>
<td>51.9</td>
<td>52.2</td>
</tr>
<tr>
<td>Women (as % of the work force)</td>
<td>37.7</td>
<td>40.3</td>
<td>40.3</td>
<td>41.4</td>
<td>41.9</td>
<td>42.3</td>
</tr>
</tbody>
</table>

Source: [ABS, 1995, Catalogue No. 4102.00 Australian Social Trends, 1995]

In addition, there has been:

- an increase in children aged 0-4 years from 1.2 million in 1983 to 1.3 million in 1993
- an increase in labour force participation rates of women with children aged 0-4 from 31% in 1983 to 45% in 1993 (Johnson, 1994:30)

all of which suggest that the demand trends for child care into the next decade are likely to remain strong.

Increase In Part-Time And Casual Work

Another major trend is associated with increased part-time and casual work status. Both of these trends point to the likely demand for less than full-time child care, and, in the case of casual workers, less predictable child care usage.

Table 12 below outlines the growth in part-time employment in Australia since 1984. This trend is expected to continue.

Table 12
Growth in part-time employment since 1984

<table>
<thead>
<tr>
<th>Year</th>
<th>Part-time employed (of total employed) (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984</td>
<td>17.3</td>
</tr>
<tr>
<td>1986</td>
<td>18.3</td>
</tr>
<tr>
<td>1988</td>
<td>19.8</td>
</tr>
<tr>
<td>1990</td>
<td>20.9</td>
</tr>
<tr>
<td>1992</td>
<td>22.9</td>
</tr>
<tr>
<td>1994</td>
<td>23.8</td>
</tr>
</tbody>
</table>

Source: [ABS Cat No. 4102.0 Australian Social Trends 1995]

If we note the differences between male and female part-timers workers it can be seen that females are far more likely to be part-time than male workers.
Table 13
Percentage of full and part-time employees in main job August 1995

<table>
<thead>
<tr>
<th>Status</th>
<th>males</th>
<th>females</th>
<th>persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>full-time</td>
<td>65.4</td>
<td>34.6</td>
<td>76.3</td>
</tr>
<tr>
<td>part-time</td>
<td>22.6</td>
<td>77.4</td>
<td>23.7</td>
</tr>
<tr>
<td>total</td>
<td>55.2</td>
<td>44.8</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: [ABS Cat No. 6342.0.40.001 Working Arrangements Australia, August 1995]

Growth In “Non Standard” Employment Types

The other major trend is that associated with the growth in “non-standard” employment types. While there is little hard demographic data to indicate actual trends, feedback from ABS confirms that non-standard employment is increasing and that their own surveys will be redesigned to capture these trends. Some of the non-standard forms\(^{25}\) include:

- self-employment
- agency employment (such as “Dial an Angel”, “Spinners” and other temporary agencies)
- consultants (who may shift between agency work and self-employed status)
- atypical employment contracts where workers have contracts with more than one employer
- independent contractors
- seasonal workers

Again, the growth in these non-standard employment forms is likely to create flexibility issues for workers with children under the age of 12 years. The key child care problems which arise here include:

- the unpredictability in knowing beforehand the blocks of time which might be required. For instance, workers who are attached to an employment agency may not know from day to day whether they will be working, or if they may be working full-time for a block of several weeks.
- needing to secure and pay for care whether it will used or not. This is particularly an issue for child care for under two year olds. It can be difficult to procure and, once secured, users would be loath to lose it.

In summary, changes in the structure of employment, including increases in part-time, casual and non-standard employment forms are all likely to challenge the standard provision of child care services which is currently locked into standard hours and regular full and part-time provisions. In the

\(^{25}\) See Creighton (1994) and Bray and Taylor (1991)
final section the report will look briefly at some of the obstacles involved in services more flexibly responding to these shifts away from standard employment.

OBSTACLES AND OPPORTUNITIES WITHIN THE SECTOR FOR GREATER FLEXIBILITY

Obstacles

The key obstacles to provision of more flexible care were identified as the following:

- **The need for full utilisation**: Services, particularly LDC, because of their very tight operating margins, have to operate at full utilisation. The capacity to free up a number of places on a daily basis for children of workers who may or may not need care is difficult, because additional staff would need to be employed to cover the possibility that these children would be present at the centre. For example, if a centre left open five places per day for casual workers who may need care, they would be obliged employ at least one or more workers as a contingency. Without the users paying a premium to secure this place, the centre would be unlikely to afford this arrangement.

- **Maintenance of child staff ratios throughout the day**: Centres are required by state regulation to maintain child-staff ratios throughout the day. While the beginning and the end of the day may see fewer children at a centre, the ability to extend care outside of these hours must ensure that child-staff ratios are covered. Thus opening for one or two children prior to 6.00pm or after 6.00pm would be a very expensive outlay unless fees could be secured and the number of children accurately planned for.

- **Award conditions** which stipulate minimum shift times, penalties and overtime. Feedback from private/commercial centres suggested that they would be able to offer greater flexibility if they could reduce minimum shift times in LDC centres and reduce penalty rates for overtime and out-of-hours work. However, this suggestion was strongly opposed by other respondents who believed that this would impact negatively on already meagre staff conditions and pay, and impact negatively on quality care.

- **Cost**. Most respondents argued that while it was potentially possible to provide flexible services at night, on weekends, or at short notice, these types of services would be constrained by cost. It was argued that to achieve the type of flexibility required to meet the needs of more flexible
workers, that costs would have to be borne somewhere within the system. Either the parent users would have to bear the additional costs of these services; the federal or state government would need to supplement funding for services to ensure that flexibility of service provision was possible; workers would bear the costs in the form of reduced wages, conditions or increased work intensification; or the children would bear the costs in the form of reduced quality of care.

Opportunities And Limitations

A range of likely opportunities and limitations which may act to address some of the obstacles outlined above is outlined below.

Enterprise bargaining as a solution to greater service provision flexibility

While, as outlined earlier, enterprise bargaining has not been widespread within the child care sector, there is every likelihood that it will increase. Moreover, the legislation proposed by the recently elected Federal coalition government is designed to encourage both greater levels of non-union bargaining and a shift towards individual and collective workplace contracts.

Feedback from the sector suggests that while community based services may not embrace enterprise bargaining, that interest is likely to be strong among the private and commercial sectors. However, evidence to date suggests that initiatives are likely to be about labour cost-cutting at the margins in the form of minimum shifts, removal of penalties and reduction of sick leave, “multiskilling” and utilisation of greater numbers of less qualified staff.

While these changes may reduce marginal costs and provide some additional flexibilities, gains are likely to be only marginal. Moreover, these changes are likely to be fervently opposed by the child care unions who are actively looking at strategies for improving rather than further downgrading conditions and pay within the sector. Moreover, there is a strong sentiment that child care workers - already poorly paid - should not be required to subsidise the cost of flexible care for either the state or other workers by having their own conditions and wages downgraded. In addition, it has been pointed out that child care workers themselves have child care responsibilities, and that any move to require child care staff to work longer or more flexibly places pressures on child care workers to find and locate flexible child care for their own children. This calls into question the equity of solving one group of worker’s problems only to compound another's.
50 515
Such initiatives would also be opposed on quality and educational grounds since they may impact on continuity of care and levels of qualified staff within the sector.

**Employers subsidising more flexible care**

There is the potential for employers to establish their own services to provide flexibility of care for their own workers. However, this is only ever likely to be a small area of provision, as many employers are small employers who would not be able to afford the initial establishment and ongoing operational costs. Moreover, while allowing employers to secure places in either community based or long day care services may be of some benefit, it would not address the overall capacity of that service to operate for longer or more flexibly. In addition, recent rulings by the Australian Taxation Office cast doubts on future employer involvement in child care, with the exception of those employers who can afford to own and operate their own child care services.

**Parent users paying more for flexible services**

Given that cost appears as the major barrier to flexibility in child care, allowing the market to sort itself out and encouraging buyers to pay for the care they require is an option. However, there are clear equity issues at stake here. Private/commercial child care services are - in some areas - already differentiating themselves on the basis of service and costs. Users who can afford elite services may well be able to purchase them, but this leads to a differentiated services sector where some workers will have access to flexible care and others will not, and some children will have access to better quality care than others.

This trend is already - and will continue to be - viewed with considerable concern by those groups and organizations who assert that the needs of the child, rather than the parent or the state should be of paramount interest in early childhood education and care.

Moreover, while some high income workers may be able to afford to pay for flexibility, low income earners will not. However, trends already outlined reveal that workers across all industries and occupations are working longer and more flexible hours, not just high income earners.

**State subsidises services to provide flexible care**

It could be argued that governments at state and federal levels are actively encouraging labour market flexibility and greater flexibility in working time arrangements. Indeed, as outlined, deregulation of working hours has been
one of the major outcomes of decentralised bargaining. It could therefore be argued that as one of the key architects of labour market flexibility, that some of the costs associated with this flexibility should also be borne by the state. The state, as one of the key players in the provision of child care services could provide additional operational subsidies to services to ensure that some additional flexibility in service provision is available.
PART 4  CONCLUSIONS

The child care sector is a controversial one where efforts to balance issues such as affordability, quality and working conditions are hotly contested by the key stakeholders.

At the same time, the child care industry is a rapidly expanding one, but is also characterised by low relative rates of pay, poor conditions and generally low status. The work is at once highly rewarding and demanding and this is reflected in problems with staff turnover and recruitment. Enterprise bargaining in the sector has been limited and to date has focussed primarily on narrow cost-cutting.

Trends within the broader community identify a shift away from standard working hours and forms of employment and increased flexibility in working time arrangements which is likely to place pressure on the current structure of service provision. The evidence suggests that existing services will find it difficult to respond to these new demands.

While the popular view is that greater flexibility within the sector can be derived from more efficient utilisation of labour, or winding back of award conditions, this report challenges this assumption.

This report considers that increased flexibility within the sector is not likely to be achieved through attempting to squeeze any further cost savings from an already generally “resource poor” industry. Nor is it industrially desirable to attempt to further cut labour costs without impacting on already poor working conditions and pay. Attempts to do so will ultimately impact on the quality of working conditions and the quality of care for children.

Finally, the report argues that flexibility within the sector can be achieved, but it will be at a cost. The question remains, who should bear the cost of further change? The users, workers, employers or the state?
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ORGANISATIONS/INDIVIDUALS CONSULTED IN BRIEF

Margaret Young, Lady Gowrie, Sydney
Kerrie Watchhorn, MEU, Sydney
MWU (regarding OSHC)
Network (Sydney)
Splash OSHC, Ashbury Public School
DIR (Canberra) re FDC
DHSH
Anne Black (ACTU)
Mick Lyons (UWS)
Jennifer Levy (Formally OSW and Lady Gowrie)
June Wangmann (Macquarie University)
Jo Comins (Family Day Care Association)
Quality Child Care Australia
Deborah Brennan (University of Sydney)
Pam Cahir (AECA)
EPAC workshop participants (held Melbourne)