

# Child care

Decisions by parents with young children about participation in paid employment are strongly tied to decisions about who will care for their children. Access to appropriate and affordable child care is a key element in ensuring parents with young children can effectively participate in paid employment. If parents are not able to access affordable child care then they may not be able to participate fully in the labour force.<sup>1</sup>

Improving access to, and the quality of, early childhood education programs and care is part of a series of Australian Government reforms designed to improve early childhood development. These reforms include access to early education programs for all children in the year prior to formal schooling and improving the affordability of child care.<sup>2</sup>

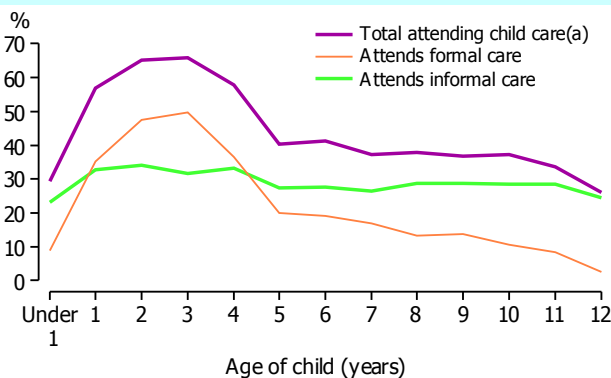
## Use of child care

In 2008, 1.5 million Australian children aged 12 years or less had regular child care arrangements. Around 750,000 children usually attended formal child care and about one million children attended some type of informal care. Around 250,000 children attended both formal care and informal care. About two million children had no usual child care arrangements.

Use of formal child care varies with age and is primarily used by children aged 12 months to 4 years, whereas the use of informal care is more consistent across age groups.

In 2008, 9% of children aged less than 12 months were in formal child care. For children aged three years, the proportion usually attending formal care peaked at 50%, after which it declined to 20% by age five, 14% by age nine, and only 3% by age 12.

Usual child care arrangements, by age – 2008



(a) Children with more than one type of care arrangement are only counted once.

Source: ABS 2008 Childhood Education and Care Survey

## Data source and definitions

Data in this article mainly comes from the ABS 2008 Childhood Education and Care Survey (CEaCS), the main findings of which can be found in ABS *Childhood Education and Care, Australia, June 2008* (cat. no. 4402.0).

This article presents data on the usual child care arrangements of children aged 0–12 years. However, for time series comparisons of child care arrangements, including reasons for using child care, data is for children aged 0–11 years, and for care attended in the week prior to the survey.

*Child care arrangements* are types of care which may be formal or informal.

*Formal care* refers to regulated care away from the child's home. The main types of formal care are before and/or after school care, long day care, family day care and occasional care.

*Informal care* refers to non-regulated care, arranged by a child's parent/guardian, either in the child's home or elsewhere. It comprises care by (step) brothers or sisters, care by grandparents, care by other relatives, and care by other people such as friends, neighbours, nannies, or babysitters. It may be paid or unpaid.

*Cost of care* is the cost, net of Child Care Benefit (CCB) and the Child Care Tax Rebate (CCTR), to parents for a child to attend care.

*Working families* refers to families where at least one parent was employed.

This decline is associated with children attending preschool and school rather than formal child care. For broader analysis of preschool and early childhood education, see *Australian Social Trends December 2009*, 'Preschool attendance' (cat. no. 4102.0).

Use of informal child care remains fairly stable regardless of age, with 32% of three year olds in an informal care arrangement, compared with 27% of five year olds, 29% of nine year olds, and 24% of 12 year olds. This indicates that many parents still have a need for some form of regular child care arrangements after their children start school.

## ...trends over time

Since 1999, there has been a trend towards an increased use of formal care. The proportion of children attending formal care in the week prior to the survey increased from 17% in 1999 to 22% in 2008. This was mainly due to an increasing proportion of children aged less than five years attending long day care over this period.

The increase in the use of formal child care for young children is in part due to the increase in the labour force participation rate of women with young children. In 2008, the labour force participation rate for women with children aged less than five years was 53%, an increase of six percentage points since 1999.

The increase in the use of formal care meant that while the use of informal care arrangements fell three percentage points from 37% in 1999 to 34% in 2008, the use of child care overall remained steady. In June 1999, and June 2008, 48% of children aged 0–11 years attended child care in the last week.

### Family and employment characteristics of parents

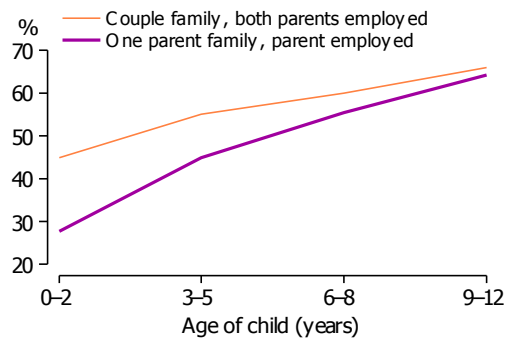
The decision to send children to child care is often influenced by the labour force status of parents, family composition and the type of care the parent feels is appropriate for the child. Many parents with young children, particularly mothers, tend to take time out of the workforce, or reduce their level of participation for a period of time while their children are young. Once the children are older, many parents choose to return to work or increase their participation in the workforce.

For couple families, 45% of children aged 0–2 years had both parents employed. For older children (aged 9–12 years), the proportion with both parents employed increased to 66%.

The story was similar for one parent families. For one parent families, only 28% of children aged 0–2 years had their parent employed, compared with almost two-thirds of children (64%) who were aged 9–12 years.

The choice to increase workforce participation once children are older is particularly evident for employed mothers. In couple families where the

### Proportion of children with parent(s) employed, by age of child – 2008



Source: ABS 2008 Childhood Education and Care Survey

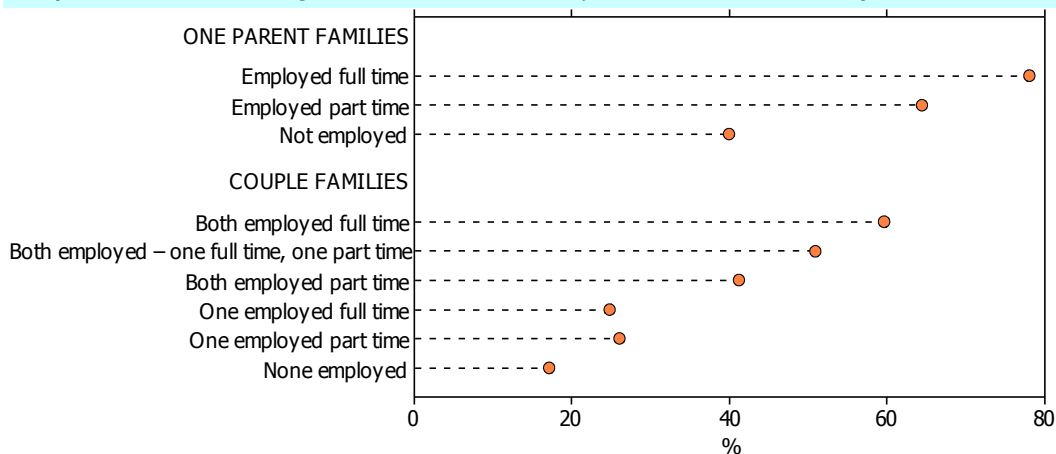
father was employed, 13% of children aged 0–2 years had their mother employed full time, compared with 30% of children aged 9–12 years.

### ...use of child care

As might be expected, the use of childcare was highest (78%) for children in one parent families where the parent was employed full time. Around two-thirds (64%) of children attended care if their parent was employed part time, while the proportion of children attending care dropped to 40% if the parent was not employed.

For couple families, the story was similar. If both parents were in full-time employment, 60% of children usually attended child care. This fell to 51% for children in families where one parent was employed full time and the other part time. The proportion of children in child care was lower if both parents were employed part time (41%) or if only one parent was employed full time (25%) or part time (26%). The proportion of children in child care was only 17% for couple families where neither parent was employed.

### Proportion of children aged 0-12 in child care, by labour force status of parents – 2008



Source: ABS 2008 Childhood Education and Care Survey

Attendance at child care also varied according to the number of children in the household. Children were more likely to attend child care if they were from families with one or two children aged between 0–12 years (49% and 47% respectively) than if they belonged to families with three or more children (33%). This is due to parents with three or more children being more likely to not be employed.

## Type of care usually attended

Finding the right type of child care can often be dependent on household income and parental participation in the workforce, as well as the amount and frequency of care required. Also, the type of care attended by children varies considerably depending on the age of the child.

Overall, the most commonly used type of child care was informal care, used by 29% of all children aged 0–12 years. Care provided by grandparents was the most common type of informal care and was used by 19% of children. Child care provided by grandparents was most likely for younger children aged 0–2 and 3–5 years (24% and 21% respectively), however, it also remained the most popular choice for school aged children. Around 16% of 6–8 year olds and 15% of 9–12 year olds were in the regular care of grandparents. Grandparents, in some circumstances, may be eligible for Government assistance for the regular care they provide to their grandchildren.<sup>6</sup>

## Child care industry

There has been steady growth and change within the child care industry over the last few years. From 2004 to 2007, the number of child care businesses increased by 19%. The growth in the industry has come from smaller child care businesses employing less than 20 staff. Over this time period, businesses employing 1–19 staff increased by 93%, from 1203 businesses in 2004 to 2318 child care businesses in 2007.<sup>3</sup> Employment within the child care industry is overwhelmingly female, with women accounting for 95% of all child care workers.<sup>4</sup>

In December 2009, the Council of Australian Governments (COAG) agreed to a new National Quality Agenda for early childhood education and care and outside school hours care. The new framework will ensure that all early childhood services meet national quality standards. It aims to:

- improve interactions between children and carers based on better qualified staff and lower child-to-staff ratios;
- provide national uniform standards in the areas of education, health and safety, physical environment and staffing; and
- introduce a new ratings system, allowing parents to compare child care services.

The framework will replace the current licensing and accreditation processes undertaken by the Commonwealth and state and territory governments, while individual care services will liaise with only one organisation for quality assessment. The National Quality Standard will begin to be implemented from 1 July 2010.<sup>5</sup>

## Type of child care arrangement for children aged 0-12 years – 2008

Type of usual child care used	0-2 years	3-5 years	6-8 years	9-12 years	Total 0-12 years
	%	%	%	%	%
<b>Formal care</b>					
Before and/or after school care	—	5.1	15.6	8.1	7.2
Long day care	24.4	26.2	—	—	11.7
Other formal care(a)	7.1	5.6	*0.8	0.7	3.3
<b>Total formal care(b)</b>	<b>30.3</b>	<b>35.5</b>	<b>16.4</b>	<b>8.8</b>	<b>21.6</b>
<b>Informal care</b>					
Grandparent	24.2	21.3	16.5	14.8	18.9
Other relative care(c)	3.4	4.3	5.2	6.5	5.0
Non-resident parent	2.2	3.7	5.6	6.5	4.6
Other person	3.3	4.6	4.2	4.0	4.0
<b>Total informal care(b)</b>	<b>29.9</b>	<b>30.8</b>	<b>27.6</b>	<b>27.5</b>	<b>28.8</b>
<b>Total usually attending care(b)</b>	<b>50.2</b>	<b>54.7</b>	<b>38.8</b>	<b>33.4</b>	<b>43.4</b>
	'000	'000	'000	'000	'000
<b>Total children aged 0-12 years</b>	<b>826.0</b>	<b>785.2</b>	<b>798.5</b>	<b>1088.8</b>	<b>3498.4</b>

\* estimate has a relative standard error of 25% to 50% and should be used with caution.

— nil or rounded to zero (including null cells).

(a) 'Other formal care' includes 'Family day care' and 'Occasional care'.

(b) Children with more than one type of care arrangement are only counted once.

(c) 'Other relative care' includes 'Brother/sister care'.

Source: ABS *Childhood Education and Care, Australia, June 2008* (cat. no. 4402.0)

Formal child care was used by 22% of children aged 0–12 years, but most commonly by children aged less than six years. Long day care was the most common type of formal care used, with around one in four children aged 0–5 years attending. Before or after school care was commonly used in the early years of schooling, with 16% of 6–8 year olds attending before or after school care compared with 8% of children aged 9–12.

A small proportion (5%) of children were in the regular child care of other relatives, such as older brothers or sisters or aunts and uncles. Also, 5% of children were in the regular care of a non-resident parent. This was more common for older children.

## Reasons for using child care

In 2008, the main reason given by parents for using child care was work-related. For children attending formal care (many of whom were not yet at school), 70% were in care due to work-related reasons, while 49% of children in informal care attended for this reason.

A further 12% of children attending formal care, and a much higher proportion of children receiving informal care (33%), did so due to personal reasons of the parent. Personal reasons include giving parents a break, time alone or time to care for other relatives; as well as allowing parents to study or undertake sport and other recreational activities.

One other main reason for child care was the benefit to the child, including preparing children for school. This reason was given for 18% of children attending formal care, and for 16% of children attending informal care.

Since 1999, the proportion of parents reporting work-related reasons as the main reason for using child care has increased reflecting, in part, the increased participation of women in the workforce over this time.

Also, the proportion of parents reporting 'beneficial for child' as the main reason for using informal care has increased almost five-fold since 1999. In contrast, the proportion of parents reporting 'beneficial for child' as the main reason for using formal care has remained fairly stable in the last decade.

## Usual weekly hours of child care

In 2008, the 1.5 million children who usually attended child care spent an average of 17 hours a week in care. Around half (47%) of children in child care spent less than 10 hours per week in care. A further 37% were in care for 10–29 hours, while 16% of children spent more than 30 hours per week in child care.

While grandparents were the most commonly used type of care, the average weekly hours spent in the care of grandparents was less than most other care choices. Children spent, on average, nine hours per week in the care of grandparents, whereas children who attended long day care or family day care, did so for an average of 19 and 16 hours per week respectively.

For the 5% of children who were being cared for by a non-resident parent, an average of 39 hours per week was spent in that type of care. This was significantly more hours per week than other formal and informal care arrangements, possibly indicating a shared custody arrangement between the residences of the children's parents.

### Main reason for using child care(a)

Main reason for care	1999		2008	
	Formal care %	Informal care %	Formal care %	Informal care %
Work-related	61.1	44.9	69.8	49.5
Personal	15.3	42.3	11.8	32.8
Beneficial for child	19.7	3.5	17.9	15.7
Total children who attended care last week(b)(c)	'000	'000	'000	'000
	533.1	1162.1	710.7	1106.1

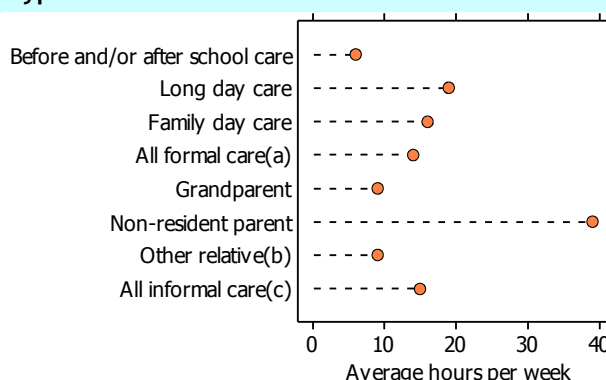
(a) Children aged 0–11 years.

(b) Includes 'Other' reason.

(c) Includes children who attended both formal and informal care.

Source: ABS 1999 Child Care Survey and 2008 Childhood Education and Care Survey

### Average hours spent in child care per week, by type of care – 2008



(a) Children who usually attended formal care includes children who attended 'Occasional care' and 'Other formal care'.

(b) 'Other relative' includes 'Brother/sister care'.

(c) Includes 'Other person care'.

Source: ABS *Childhood Education and Care, Australia, June 2008* (cat. no. 4402.0)

## Cost of care

The Australian Government provides support to families in meeting the costs of child care through the Child Care Benefit (CCB) and the Child Care Tax Rebate (CCTR).

The average net cost to parents for formal care (taking into account the Child Care Benefit and Child Care Tax Rebate entitlements) was \$53 per week. Children who attended long day care had the highest average net weekly cost of \$73, reflecting the average hours per week children spend in long day care (19 hours). Over half of all children who usually attended formal care (55%) had net costs of less than \$40 per week. Almost 30% of children in formal care had a net weekly cost of \$40–\$99 and 15% of children had a net weekly cost of \$100 or more.

Overall, the average net hourly cost of formal child care was around \$3.80 per hour. On average, before and/or after school care had a net hourly cost of around \$4.35 per hour, long day care was around \$3.85 per hour, while family day care was the least expensive, with a net hourly cost of \$2.25 per hour.

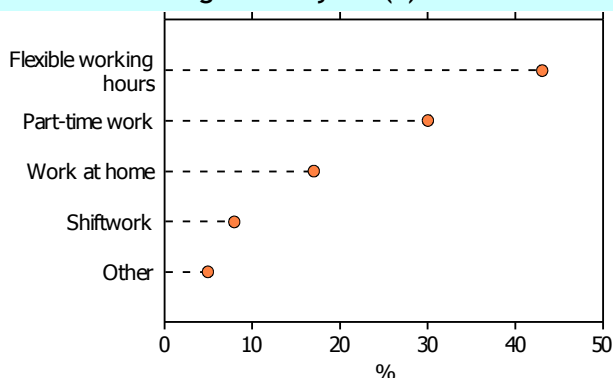
## Work arrangements used by parents to care for children

In addition to their use of formal or informal child care arrangements, many parents also make use of flexible work arrangements to help care for their children. Such arrangements include flexible working hours, part-time work, shiftwork, working from home and job sharing arrangements.

Under the National Employment Standards (NES), in force since 1 January, 2010, parents with children under school age or with children less than 18 years with a disability, are able to request flexible working arrangements.<sup>7</sup>

In 2008, almost two-thirds (64%) of all working families with children 12 years and under had a parent who made use of flexible working

### Use of work arrangements by working families with children aged 0-12 years(a) – 2008



(a) Families where at least one parent was employed.

Source: ABS *Childhood Education and Care, Australia, June 2008* (cat. no. 4402.0)

## International comparison: employment rates for women in OECD countries



Paid work gives women the opportunity to ensure their own financial security, contribute to the family budget and secure their economic future into retirement.<sup>8</sup> For many women who have children, maintaining a connection to the workforce while providing care for children, especially prior to school age, can be challenging.

The 2007 Organisation for Economic Cooperation and Development (OECD) report, *Babies and Bosses - Reconciling Work and Family Life*, compares the employment rates of women with children aged 0–16 years across 30 OECD countries. Compared with other OECD countries, Australia has a lower employment rate for mothers with young children than Canada, New Zealand and the United States, but higher employment rates than the United Kingdom and Germany.<sup>9</sup>

Once the early childhood years are over and children attend formal schooling, returning to the workforce appears to be common for many women, including Australian women. For Australian mothers with children aged 6–16 years, the employment rate almost equalled the female employment rate of Canada, and was, once again, higher than the female employment rates for the United Kingdom and Germany.<sup>9</sup>

### Female employment rates for women with children aged 0-16 years(a) – 2005

Age of youngest child	0-16 years %	6-16 years %
Australia	63.1	70.5
Canada(b)	70.5	71.1
Germany	54.9	62.7
New Zealand	64.6	75.3
United Kingdom	61.7	67.7
United States	66.7	73.2
OECD average	61.5	66.3

(a) Women aged 15-64 years.

(b) 2001 data.

Source: *Babies and Bosses – Reconciling Work and Family Life: A Synthesis of Findings for OECD Countries, 2007*

arrangements to help care for their children. Flexible working hours (43%) and part-time work (30%) were the most commonly used work arrangements used by these families.

For those in couple families, a higher proportion of employed mothers (73%) used work arrangements to help care for their children than employed fathers (40%). Employed mothers in couple families were also much more likely than employed fathers to use part-time work arrangements to help care for children (41% compared with 5%). They also made greater use of flexible working hours (42% compared with 30%), reflecting that mothers are more likely to be the main care givers even when in the labour force.

Employed fathers in one parent families were more likely than those in couple families to use flexible working hours to help care for their children (40% compared with 30%), and about three times as likely to use part-time work (15% compared with 5%). However, employed mothers in one parent families used flexible working hours and part-time work at about the same rates as employed mothers in couple families.

Since many parents increase their participation in the workforce as children get older, use of flexible work arrangements to help care for their children is also more common as children get older. For families where there were children aged 9–12 years, 66% of working families used flexible work arrangements compared with 60% of working families with children aged 0–2 years.

### ...work arrangements over time

The use of flexible work arrangements, in the week prior to the survey, by working families has risen over time from 53% in 1999 to 64% in 2008. This has been driven in part by an increase in the use of flexible working hours from 33% in 1999 to 43% in 2008. The use of part-time work to help care for children aged 0–11 years also increased from 23% to 31% over this same time period.

The increase in the use of flexible working hours was particularly evident amongst employed fathers, increasing from 18% in 1999 to 30% in 2008. For employed mothers, there was an increase in the proportion using part-time work arrangements to help care for their children from 34% in 1999 to 42% in 2008.

### Unmet need for child care

In 2008, parents of 89,000 children aged 0–12 indicated that they currently had an unmet need for formal child care. Around 32% (28,000) were already in formal child care and needed additional care, and 68% (61,000) were not currently in formal child care.

Most of the children in need of child care (54,000) were not yet at school. Many of those not yet at school required long day care (71%). For children at school (35,000), 88% required before or after school care. Parental work commitments was the main reason formal care was needed (59%).

Of the 89,000 children with an unmet need for formal care, one-third (30,000) had parents who had applied for a child care place. However, for around 55% (17,000) of these children, a place was not available. Of those children who had parents that did not apply for a child care place, (59,000), 29% had parents that reported the main reason they did not apply was due to

concerns over child care costs. The next most commonly reported reason by parents for not applying was that there was no child care services in their area or that they did not know of any child care in the area (21%).

### Looking ahead

For many families, having access to child care services allows them to participate in the workforce, while also providing early educational benefits and socialisation skills for children.

To assist families with child care, the Australian Government has provided financial assistance for child care since 1972.<sup>10</sup> In 2007–08, around 1.3 million families received the Child Care Benefit or the Child Care Rebate.<sup>2</sup> Funding for child care is expected to increase in the future, rising from \$3.7 billion in 2008–09 to \$4.4 billion by the year 2012–13.<sup>10</sup>

Demand for child care is set to increase into the future, with the number of children aged 0–12 years projected to grow by around 500,000 children by the year 2020.<sup>11</sup>

### Endnotes

- 1 Department of Education, Employment and Workplace Relations, Office of Early Childhood Education and Child Care, *What do we do?* DEEWR, Canberra, viewed 8 June, 2010, <[www.deewr.gov.au](http://www.deewr.gov.au)>.
- 2 Australian Institute of Health and Welfare, 2009, *Australia's Welfare*, AIHW, Canberra, viewed 12 April, 2010, <[www.aihw.gov.au](http://www.aihw.gov.au)>.
- 3 Australian Bureau of Statistics, 2007, *Counts of Australian Businesses, Including Entries and Exits*, cat. no. 8165.0, Canberra, <[www.abs.gov.au](http://www.abs.gov.au)>.
- 4 Australian Bureau of Statistics, 2006, *Census Tables*, cat. no. 2068.0, Canberra, <[www.abs.gov.au](http://www.abs.gov.au)>.
- 5 Council of Australian Governments, Communique, 7 December 2009, *Council of Australian Governments' Meeting, Productivity Agenda, Early Childhood Reform*, COAG, viewed 17 May, 2010, <[www.coag.gov.au](http://www.coag.gov.au)>.
- 6 Australian Government, 2010, *What is Grandparent Child Care Benefit?*, My Child website, viewed 19 May, 2010, <[www.mychild.gov.au](http://www.mychild.gov.au)>.
- 7 Australian Government, 2010, *Fairwork online*, Canberra, viewed 19 May, 2010, <[www.fairwork.gov.au](http://www.fairwork.gov.au)>.
- 8 Department of Families, Housing, Community Services and Indigenous Affairs, 2009, *Review of the Equal Opportunity for Women in the Workplace Act 1999, Consultation Report*, FaHCSIA, Canberra, viewed 12 April, 2010, <[www.fahcsia.gov.au](http://www.fahcsia.gov.au)>.
- 9 Organisation for Economic Co-operation and Development, 2007, *Babies and Bosses — Reconciling Work and Family Life: A Synthesis of Findings for OECD Countries*, OECD, viewed 29 March, 2010, <[www.oecd.org](http://www.oecd.org)>.
- 10 Department of Education, Employment and Workplace Relations, Office of Early Childhood Education and Child Care, 2010, *State of Child Care in Australia*, DEEWR, Canberra, viewed 19 April, 2010, <[www.deewr.gov.au](http://www.deewr.gov.au)>.
- 11 Australian Bureau of Statistics, 2008, *Population Projections Australia, 2006-2101*, cat. no. 3222.0, Canberra, <[www.abs.gov.au](http://www.abs.gov.au)>.