

WORK-BASED CHILDREN'S SERVICES

Workforce participation is a key issue for Australia and relates to being competitive in the marketplace, and raising adequate funds through employee taxation to fund the business of government.

As we are encouraged to enter and stay in the workforce, employers look at a variety of ways to support employees. An employer of choice attracts and retains employees throughout their life course. An important part of this employee recruitment and retention is helping employees balance their work and childcare responsibilities.

Many Australian workplaces are interested in providing 'childcare solutions' for their employees as it becomes increasingly challenging for employees to locate suitable children's services in order to return to work.

The benefits of providing work-based children's services include:

- savings in human resource costs such as those associated with absenteeism and the retention of skilled employees
- being a recruitment benefit especially useful in attracting experienced, mature workers in the child-raising age group
- being one of the few Fringe Benefits to staff that is still exempt from tax, if it is provided on business premises
- encouraging employees back from maternity leave and supporting them to return earlier
- providing public relations benefits.

In this article I am discussing work-based long day care, however there are a variety of ways employers can assist their employees with their work and childcare responsibilities.

Many employers look at the provision of direct children's services such as a long day care centre as the best way to help their employees.

Employers are most often interested in partnering with an external children's services manager to provide these services on a day-to-day basis. Employers recognise that children's services delivery is not their core business and they want to have an arms-length relationship as part of their risk management.

Any long day care centre needs an adequate supply of children aged from birth to less than school age to operate a sustainable and financially viable service. Around 5 per cent of a workforce will use a long day care centre immediately if it is available on site. Regardless of full-time workforce participation, most parent employees want access two to three days a week. This means there needs to be several thousand employees co-located with or near the work-based children's services facility to ensure adequate current and future child population to operate a financially viable facility.

Provision by large employers is also historical and relates to Fringe Benefits Tax exemptions on childcare fees which, if certain requirements that favour larger employers are met, provide a significant personal tax benefit to an employee who uses a work-based children's service and is able to salary package their childcare fees out of pre-tax dollars. This can result in the parent employee paying less personal income tax.

Being an educator in a work-based long day care centre is very much the same as any other long day care centre, however there are a few unique operating issues that create some different challenges.

An employer will most often want to be aligned with an external children's services manager who has similar operating values with regard to internal and external stakeholders. For an employer this may be their customers or clients and for a

children's service this may be the children and their families, the children's service's employees, regulatory authority and related agencies, and the employer. In practice this means an educator may need to factor in the requirements of the employer that the work-based children's service is being provided for, considering the public relations and reputational risks of the day-to-day activities they are involved in. Every educator would be doing this regardless of the service type they work in; however, this can be particularly heightened for a work-based long day care centre. Imagine how a bank or professional firm that provides work-based long day care may react, and the associated potential negative publicity that could result, if a child at the facility managed to climb the fence and got outside.

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Keeping employers in the loop when something may be just a niggle, rather than a problem, is an important part of the external manager and employer relationship.

After dropping off their child at the start of the day, employees who use a work-based long day care centre are often going back to a workplace located on the same site. We all know that sometimes small issues are dealt with more effectively than they are at other times. If small issues are not resolved early, quickly and effectively, a parent employee going back to the workplace after dropping off their child at the start of the day and talking to their colleagues can result in the small issue becoming a significant problem in a few hours.

Clear, transparent processes that empower educators to solve small issues at the time they arise or allow for service management to be notified quickly then talk with a parent employee can assist with maintaining a smooth and harmonious working relationship. Word of mouth, particularly in one workplace, can be equally constructive or deconstructive depending on the circumstances.

It sounds nonsensical, but educators have to actually believe that work-based long day care centres can be good places for children and their families by providing high-quality education and care that supports the parent employee's workforce participation.

Sometimes there can be particular workplace pressures that result in a parent employee returning to work after parental leave earlier than they had planned. An educator may have a very young baby starting at the service.

Babies often attend work-based long day care centres for longer days than some of the older children. Anecdotally this seems to be due to parent employees returning to work, often on a part-time basis, needing to manage their workload over less days and needing to prove to their employers that they are committed to the workplace and up to the job. This can be challenging and confronting for an educator who is always trying to put children at the centre of their decision-making processes and considering children's rights, and how this child and the parent employee may be affected compared with if the parent employee was not in the paid workforce and had not returned to work.

The recent Productivity Commission Review keeps 'employer provided child care' (Productivity Commission, p. iv) on the children's services agenda. The Australian Government is interested in considering what employers can contribute to this space; and certainly it is an ongoing and provocative conversation for employers, forming an integral part of recruitment and retention now and into the future.

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Reference

Productivity Commission (2013). Childcare and early childhood learning: *Productivity Commission issues paper*. Retrieved from: www.pc.gov.au/_data/assets/pdf_file/0016/130462/childcare-issues.pdf.