

Family Assistance
Legislation Amendment
(Cheaper Child Care) Bill 2022

Submission to the Senate Education
and Employment Standing Committee

Prepared by:





About Child Australia

Child Australia is a leading not for profit organisation at the forefront of supporting children's learning, wellbeing and development across Western Australia and the Northern Territory. Our on the ground presence is reflected in our diverse portfolio of work which spans across metropolitan, regional and remote locations covering:

- Early Childhood Education & Care
- Outside of School Hours Care
- Family & Community Programs
- Professional Learning and Support including National Online Learning Centre
- Social Impact and Advocacy
- Workforce Development Initiatives

With a highly skilled workforce, our practice is guided by evidence based research from contemporary early and middle childhood education and care thinkers. By providing innovative professional learning and support to the sector, we aim to facilitate the development of nurturing and stimulating early and middle childhood learning environments and support families in helping their children to thrive.

We advocate for every child to have the chance to reach their full potential, understanding the correlation between high quality programs and services and the achievement of positive long term outcomes for children, families and the broader community.

Overview

Child Australia welcomes the invitation to provide comment on the Family Assistance Legislation Amendment (Cheaper Child Care) Bill 2022. This submission is developed from supporting evidence from our Education and Care services operating throughout WA and NT, feedback from clients engaged in professional learning, and from our workforce development partnership 'Thriving Futures' (BHP funded) based in the Pilbara WA, Roxby Downs SA and most recently expanded to the Goldfields WA.

Child Australia congratulates the Australian Government for their strong commitment to families and children by ensuring early childhood education and care reform is prioritised. We all know the critical importance of a child's early years, so this reform, along with the recent announcement of paid parental leave being extended to 6 months, are very welcome changes indeed.

Throughout this submission we will refer to the services covered by this Bill as the "Education and Care" (EC) Sector acknowledging the many service types and professionals that fall within the proposed legislation amendment.

Schedule 1

Rate of Child Care Subsidy (CCS)

Child Australia supports Schedule 1 of the Bill to improve the rate of CCS for families. Improving affordability for families means that more children will have the opportunity to engage in high quality early learning experiences.

With the economic argument, return on investment, and increased productivity well-documented in support of this Bill, we look toward the realities of implementation that enables successful outcomes for families and children. While affordability is certainly a critical priority, access to high quality EC is an existing significant barrier for many families throughout Australia so this must be prioritised to see this reform achieve good outcomes.

Given the national sector operates in a mixed market model (private, not for profit, community etc), ensuring adequate provision of EC is incredibly problematic. However, there is also opportunity to redesign and develop an innovative pragmatic approach to stabilising new centre developments alongside State and Territory Governments.

It is important to note that while all children will naturally benefit from access to high quality EC, 'children living in disadvantaged communities, those not proficient in English, and Indigenous children were identified as particularly vulnerable and most likely to benefit from high-quality preschool programs'. (Baxter & Hand 2013; Hewitt & Walter 2014).

Mitchell Institute's recent report 'Deserts and oases: How accessible is childcare in Australia?' highlighted that 35% of Australia's population, that is approximately 9 million people, live in a childcare desert defined as a 'populated area where there are more than 3 children per childcare place, or less than 0.333 places per child aged 4 or under'.

Regional and remote Australia is further impacted with inadequate EC provision leading to concerns that many children, families and communities will not see any overall benefit from the proposed reforms. Alongside this barrier of inadequate supply of EC, is the critical issue of workforce shortages which desperately needs to be prioritised to ensure overall success of the Cheaper Childcare reforms.

The provision of EC is complex and governed by many factors, with workforce being a critical underpinning factor. It is widely acknowledged across the country that the EC workforce is in crisis, and while many sectors and industries face similar challenges, it is the EC sector that must be prioritised as the core enabler for every other sector type. With extensive focus on EC being a workforce productivity lever across the country, the spotlight is firmly placed on the EC workforce to successfully execute the Cheaper Childcare reform.

Under the Thriving Futures program, our educators are provided with monthly one - on- one personal mentoring sessions to advance their professional growth and development within the early childhood education and care sector.

Working along side each individual educator, the Thriving Futures program are able to guide their mentees to continue to develop positive outcomes that able them to reach their full potential and, in turn put this learning into practice by providing high quality early learning opportunities for all children, families, and the community.

📷: NDC's always smiling Anna, with Connie; her mentor from Thriving Futures.

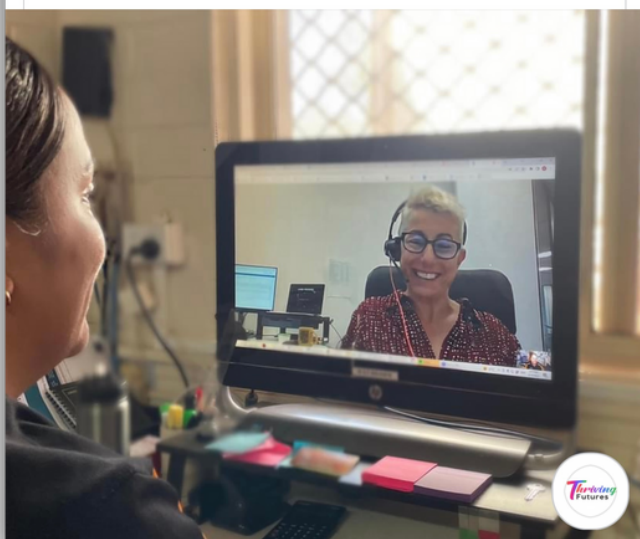


Image: Provided by Newman DayCare (Pilbara WA)

Aside from our own operations as an Approved Provider of EC services, Child Australia has created a workforce development initiative Thriving Futures, currently in operation throughout 3 regional areas. While this is a relatively small-scale project in comparison to a national issue, there are significant learnings that can be applied across the board including:

- professional recognition through improved wages and conditions is critical to stop the EC workforce exodus
- educators want and need access to high quality professional development
- staff retention is built on professionals feeling supported in their environments and a robust mentoring model has been one of the most significant critical success factors of this project
- the workforce intake funnel covers a broad spectrum and as such must be modified to suit acknowledging that formal qualifications take time to complete

The Thriving Futures project established in the Pilbara (Port Hedland & Newman) in July 2020 is funded by BHP and includes a suite of wraparound support for regional educators including:

- scholarships
- professional development
- 1:1 mentoring
- onsite consulting support to improve quality standards
- job readiness entry level opportunities via the Thriving Futures Academy

Given the success of the project throughout the Pilbara BHP have funded expansion of the project to Roxby Downs in SA and Goldfields in WA.

Alongside our funding partner we have addressed and overcome significant challenges throughout this period. Recruitment of candidates in the regions is already a significant challenge, but the pandemic and mandatory vaccines had the capacity to see service closures within the region. The Thriving Futures project was able to ensure continuity of care for children and minimise disruption for families within these communities.

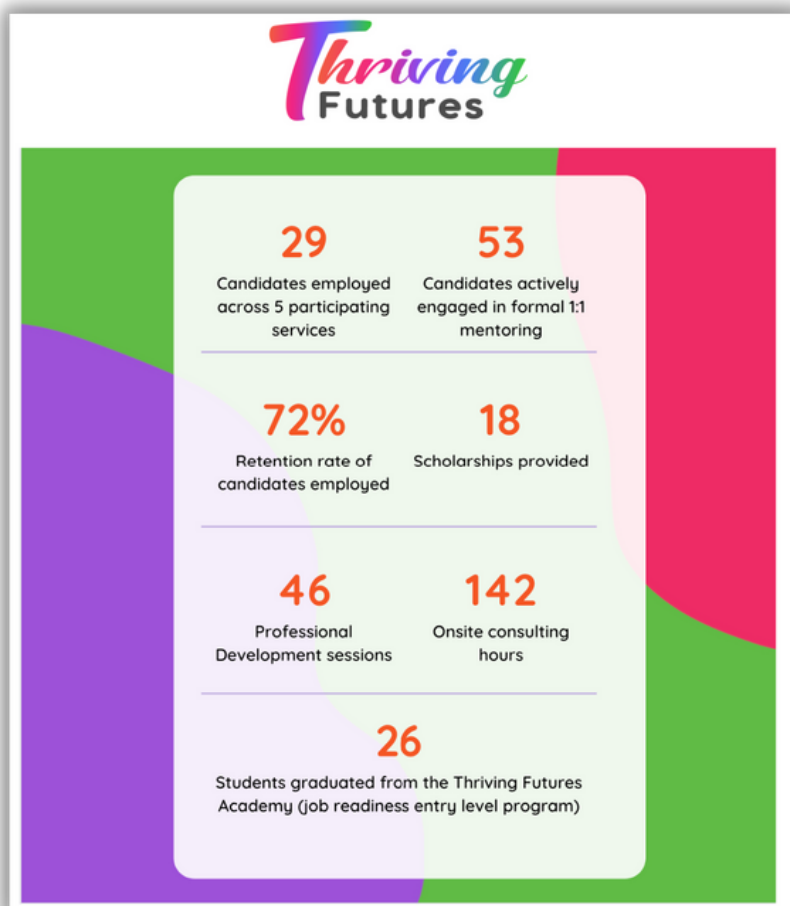
Following on from the pandemic and a rapidly evolving workforce crisis in the regions, Child Australia approached BHP to consider funding a wage subsidy for educators to help stabilise teams. After extensive negotiation, development of a comprehensive Continuing Professional Development (CPD) program, the Educator Recognition (ERP) program was launched in May this year. A model designed on extensive global research that directly links individual educator and team accountability to increased wages. This initiative is a 3 year funded program that has seen immediate stability across teams and a renewed sense of enthusiasm across professionals, finally feeling seen and heard.

Child Australia urges Government to consider the positive impacts of an interim wage subsidy measure for Educators throughout the EC Sector. This is not only critical to ensuring immediate EC workforce stability but will be needed to ensure successful outcomes of the Cheaper Child Care reform.

"For me as Centre Director it's emotional to finally see genuine, passionate, and selfless educators given the opportunity of wage subsidies, financially reflecting their true worth.

It's empowering as a team to feel supported and inspired. Furthering our professional development and skillset together as a team whilst watching our Centre soar. Providing higher quality care as well as confidently building to full capacity, with the strong sense of educator retention and the knowledge to succeed. We are incredibly grateful to the Thriving Futures/Child Australia team and BHP to be chosen, ultimately benefiting our children and community. How unbelievably rewarding in every way.
The sky is the limit for Treloar"

- Service Director,
Treloar Child Care Centre



Data covers 5 Pilbara based participating services
July 2020 - July 2022

"It's great that the program recognises Educators, especially here in the Pilbara, where there's the need to be competitive and reward Educators with incentives.

It's great that Educators finally feel rewarded for the hard work that they do. Other Educators are excited to receive the cash incentives and think that it's great. Some are feeling rewarded for their efforts and have a great sense of professional recognition"

- Educator, Rose Nowers Early Learning Centre

Schedule 2

Transparency in the Sector

Child Australia supports Schedule 2 of the Bill to improve transparency across the sector. Development of a robust reporting framework is critical on a number of fronts, particularly given the various governance types within the sector. Benchmarking and implementing minimum thresholds including disclosure for critical elements like educator wages, nutrition and quality resources for children and commitment to staff professional development and education. Disclosure of shareholder earnings along with key management personnel remuneration disclosures will allow families to have full transparency to make informed decisions for their child's enrolment in an EC service.

As rightfully pointed out in the Bill amendment documentation, the sector experienced the ABC Collapse in 2008 and most recently needed significant rescue funding during the pandemic to enable continued operations across the country. Fundamentally there is a need to secure and strengthen the sector ensuring preparedness and continuity ahead of future crisis situations. This requires radical longer-term reform including significant focus on removal of barriers for families.

Schedule 3

36 hours/fortnight of subsidised childcare for First Nations Children

Child Australia supports Schedule 3 of the Bill to provide First Nations children with 36 hours of subsidised EC for First Nations children. While this is a good first step, it is reassuring to see Government acknowledgement in the Bill amendment documentation outlining that this measure alone is likely not sufficient to achieve considerable progress towards Closing the Gap targets for First Nations children. As rightfully highlighted, access to EC services, particularly in regional Australia remains problematic, this must be addressed to ensure genuine change for our First Nations children and families.

In addition, the Activity Test continues to be a barrier for many families and it would be a welcome step to see the Activity Test abolished, allowing all children to access high quality EC programs. At the peak of the pandemic with relief Government funding arrangements in place, and the Activity Test requirements relaxed, this removal of barriers for families resulted in increased enrolments for vulnerable families, children deemed at risk, and for First Nations children right across our EC Services in WA and the NT. We know this to be true across the country for many other Approved Providers.

While much has been said about this Bill supporting working families, we ask that we don't forget children more broadly, perhaps children that need access to EC more-so. As the saying goes 'the true measure of any society can be found in how it treats its most vulnerable members'.

It is important to highlight that the commitment of 36 hours per fortnight seems inadequate, especially as access to EC remains a problem. With demand for EC places set to increase with the proposed shift to 90% CCS rate, and limited places available (non-existent in some regions), Priority of Access requirements for First Nations children should be revisited. Disparity could be an unintended consequence if Services prioritise working families over vulnerable families.

Schedule 4

Measures to reduce fraud

Child Australia supports Schedule 4 of the Bill to reduce fraud in the Sector. It would be a welcome measure to see integrity savings be redirected to professional learning for the Sector on strengthening their policies and procedures on fee collection and supporting families with transparency.

Schedule 5

Permission for Providers to offer discount on child care fees to staff

Child Australia supports Schedule 5 of the Bill to provide Educators with discounts on their child's fees, however we ask this be revisited to include all staff working within EC settings. There are many staff employed in other supporting roles like Centre Chef or Cooks, that will fall within the same Award yet not be entitled to the benefits that their colleagues receive, creating a sense of inequity amongst teams. Many roles often cross over to support dependant on qualifications.

Child Australia has introduced discounts to EC fees for educators across our services and it has been a welcome relief for many, however the disparity creates unsettled teams and we believe that this should be offered to all.

Final Thoughts & Recommendations

Child Australia supports and commends the Australian Government for prioritising Education and Care for families, children and communities. The cheaper childcare reform overall is a welcome step forward, however there are additional critical success factors as outlined throughout this submission and points requiring immediate attention below. Prior to reforms commencing in July 2023, the key focus needs to be firmly on prioritising the following to ensure genuine realised impact:

- support staff retention in the EC workforce by way of an interim wage subsidy as a fundamental first step to ensure this reform can be successfully achieved. Without slowing Educator attrition across the Sector, the increased demand for EC from this proposed reform simply cannot be met. Existing extensive centre waitlists alongside inadequate access and staff shortages, is the perfect storm for market failure. Prioritising the EC workforce is a critical first step and Child Australia is willing to support in any capacity to help expedite this priority
- alongside a focus on strengthening the workforce, ensuring EC access is prioritised for all families by developing a pragmatic approach to development of new centres will not only help to address access issues for families, but it will also support EC workforce stabilisation

Child Australia thanks the Senate Education and Employment Legislation Committee for the opportunity to provide this Submission.



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