



Committee Secretary
Senate Legal and Constitutional Affairs Committee
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29 July 2024

To the Committee

Goodstart submission on the Migration Amendment (Strengthening Sponsorship and Nomination Processes) Bill 2024.

Goodstart Early Learning (Goodstart) is Australia's largest provider of early learning and care, also known as childcare and long day care, and the largest non-government provider of preschool and kindergarten programs. We deliver high-quality early learning in every state and territory to more than 67,000 children across 664 early learning centres. Approximately one-third of our centres are in rural and regional areas, and around one-quarter serve low socio-economic communities.

Our workforce – a commitment to employing Australian workers

Goodstart employs more than 16,000 workers across Australia, including 2,000 teachers. We have a strong commitment to employing local labour, with our workforce comprised of almost 94% Australian citizens and permanent residents.

As one of Australia's largest not-for-profit social enterprises we are also well-positioned to advise Government on the impacts of migration policy on our sector, particularly regarding the changes to the Temporary Skilled Migration Income Threshold (TSMIT) and the unintended consequences on our workforce.

In making this submission, Goodstart urges the Committee to consider the unique challenges faced by the early childhood education and care (ECEC) sector in relation to the proposed changes in the Bill. We call for solutions that address immediate workforce shortages, such as a nationwide Industry Labor Agreement - while supporting wage increases for educators. Both actions are necessary to ensure the sustainability and future growth of high-quality early learning and care across Australia.

Early childhood services provide essential education and enable workforce participation

Access to early learning and care is critical for supporting Australia's productivity by allowing parents, especially mothers, to return to work. Reliable access to ECEC can enhance productivity

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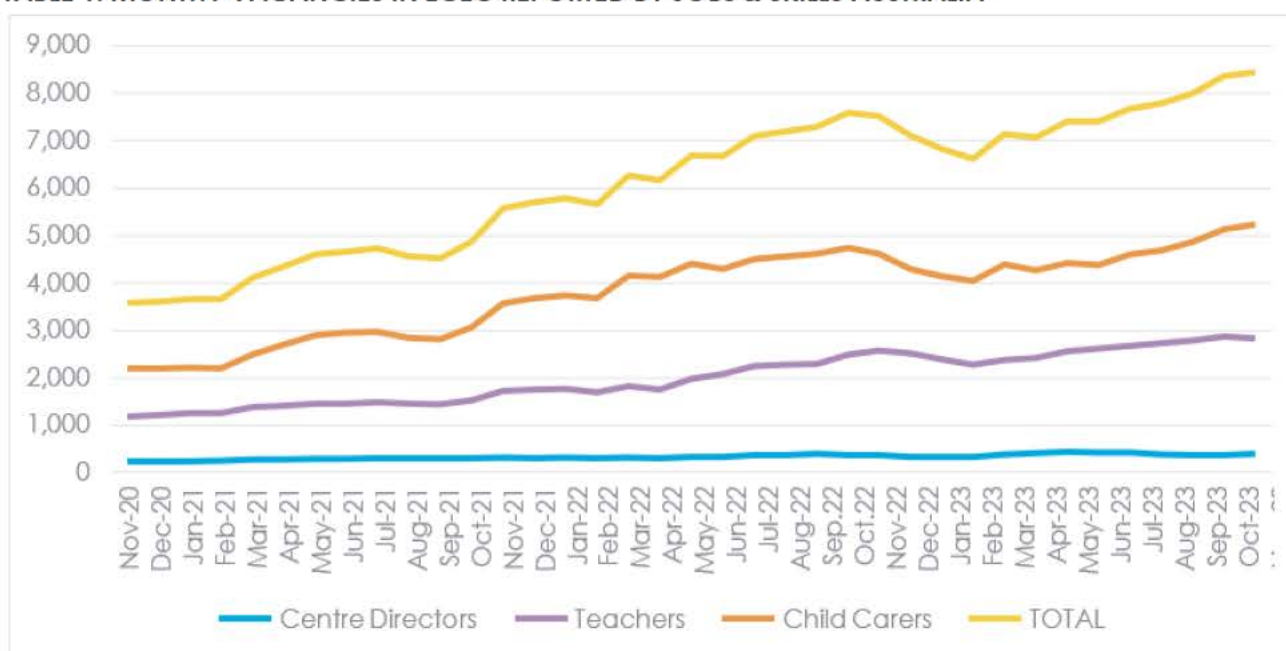


gains within the Australian economy and there is increasing focus at both state and federal levels on improving access to ECEC in areas of undersupply, such as rural and remote communities.¹

However, the sector is experiencing an unprecedented and ongoing workforce crisis. Educator turnover rates have sharply increased and continue to rise, with vacancies doubling in the last four years (see **Table 1** below). Vacancies in ECEC continue to rise even as vacancies in comparable sectors are falling. The Early Learning and Care Council of Australia (ELACCA) estimates a current shortfall of approximately 12,000 educators, while the National Skills Commission estimates the ECEC sector will need 21,900 net additional educators by 2026, including 3,400 childcare managers, 10,600 early childhood teachers, and 7,900 childcare workers.^{2,3}

These numbers are likely to be an underestimate when considering the significant impact of continuing early childhood reforms at both state and federal levels aimed at increasing the affordability and availability of ECEC.

TABLE 1: MONTHLY VACANCIES IN ECEC REPORTED BY JOBS & SKILLS AUSTRALIA



¹ See, for example, The Saturday Paper, 2024. Labor poised to launch universal childcare plan. Available at: <https://www.thesaturdaypaper.com.au/news/politics/2024/07/27/labor-poised-launch-universal-childcare-plan#mtr>; ABC News, 2023. Childcare desert regions: Dwindling female workforce concerns. Available at: <https://www.abc.net.au/news/2023-11-15/childcare-desert-regions-dwindling-female-workforce-concerns/103103708>; and The Conversation, 2023. Better, cheaper childcare is on the horizon in Australia – but 4 key challenges remain. Available at: <https://theconversation.com/better-cheaper-childcare-is-on-the-horizon-in-australia-but-4-key-challenges-remain-199864#:~:text=More%20than%2035%25%20of%20Australians,statistical%20area%20level%20%20regions>.

² ELACCA Data
³ National Skills Commission

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Goodstart strongly supports an increase in wages for educators across Australia

Recent reviews by the ACCC and the Productivity Commission have confirmed that low wages are a key factor in workforce shortages and impact the supply of childcare places. Stability of the educator workforce also improves outcomes for children, particularly for children facing vulnerability.

That is why we will continue to actively campaign for higher wages for educators and welcome the provisions in the 2024 budget as a historic commitment to achieve pay equity for early childhood educators. While the Fair Work Commission and new Multi-Employer Bargaining processes are being progressed Goodstart stands ready to work with the Government to deliver a pay increase as soon as possible for our hardworking educators, who are the backbone of our sector.

Impact of Workforce Shortages on Goodstart Services

Every unfilled educator role means up to 15 families struggle to find care so they can work.

Workforce shortages within Goodstart services can lead to 'capping' where enrolment and attendance across services and rooms must be restricted because they cannot be staffed to full capacity. This limitation directly affects children's opportunities for learning and development, as well as parents' and carers' ability to engage in work and study.

Without a more stable workforce, many centres will continue to struggle to find places for families wanting more days or wanting to commence ECEC. A sector survey in May 2023 found up to 50% of centres were capping enrolment places, with around 11,000 places withheld from families.⁴ The ACCC Interim Report on ECEC in September found that staff shortages are having a material impact on the supply and cost of ECEC, and on the viability and quality of ECEC services.⁵

For example, due to ongoing labour shortages, our employees across all Goodstart centres located in Far North QLD are working longer hours to cater for the children in their care. The strain is taking a toll on their wellbeing, and the level of education and care we can provide. Over the past year we have also had to turn away families at some centres due to the ongoing labour shortages. While we have undertaken a range of recruitment and training initiatives to change this, aiming to recruit and upskill Australian citizen and permanent resident employees, we have unfortunately experienced limited success.

Real-World Impact of TSMIT Changes on Goodstart Centres

Through this legislation, the Temporary Skilled Migration Income Threshold (TSMIT) will be replaced under the new Skills in Demand visa with a Core Skills Income Threshold (CSIT), set in alignment with the TSMIT at \$73,150. The annual salary of an early childhood educator ranges from approximately \$51,000 to \$76,000, depending on experience, qualification, and employer. These changes will mean that most early childhood educators – who may otherwise be well qualified and capable of filling our workforce shortages – are locked out of this pathway by the CSIT.

⁴ Australian Child Care Alliance Enrolments Survey Report November 2023

<https://childcarealliance.org.au/mediapublications/aca-media-releases>

⁵ ACCC Interim report on ECEC September 2023 p. 22, 33, 149

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We know this because changes to increase the TSMIT from \$53,900 to \$70,000 on 1 July 2023 had an immediate impact on our workforce, particularly in rural and remote areas. For example:

- In **Kalgoorlie, Western Australia**, the changes have created significant issues, impacting our workforce and their visa statuses. Two educators resigned recently due to the inability to meet comparable wages required for a deed of variation, leaving the centre with four educator vacancies and long-standing open positions for an Assistant Director (554 days vacant) and an Educational Leader (633 days vacant). Additionally, approximately 20% of applicants for the vacancies are being turned away due to the TSMIT wage threshold. While some experienced educators have had their wages adjusted to meet TSMIT requirements, this has created an inequitable pay environment, highlighting the broader challenges of maintaining fair wages and staffing levels under current migration settings.

The centre cannot run at full capacity due to understaffing, with room caps limiting how many children can attend. Eight out of 20 educators are on visas nearing renewal, making skilled visa workers essential for staffing and providing early learning and care for local families, including services for vulnerable children. Despite generous additional funding support from BHP and Child Australia's Thriving Futures Partnership who recognise the importance of access to early education and care, staffing challenges continue, emphasising the need for policy adjustments to ensure fair wages and adequate staffing in communities like Kalgoorlie.

- In **Roma, Queensland**, our centre is 90% dependent on skilled visa workers due to the local employment market, including highly competitive local industries and attractive alternative sources of work for locals. Previously, Goodstart Roma's success in hiring international talent has been highlighted by its recognition and award as the Goodstart Queensland Team of the Year in 2022, demonstrating the enrichment that skilled migration brings to our services. Currently, Roma has 5 vacancies and we have lost 6 staff members in 2024 alone due to Goodstart's limitations on visa sponsorship due to TSMIT.
- In **Far North QLD**, we continue to promote job opportunities across the region through our career's website, as well as on platforms such as Seek, Indeed, and Adzuna. Presently, we have over 10 available positions advertised. On average these vacancies have been open for 65 days. Since May 2023, we've successfully filled 54 positions, and the average time required to fill these positions is 63 days.

Presently, Goodstart operates 16 centres in and around Townsville, with currently 39 available positions advertised. On an average these vacancies have been open for 113 days. Since May 2023, we've successfully filled only 4 positions (3 Senior Educator and 1 Educator), and the average time required to fill these positions is 206 days. We've received a total of 46 applications since May 2023, with 12 deemed unsuitable. Additionally, a considerable number of applicants are seeking sponsorship, and a majority withdraw their applications if sponsorship is not provided.

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Immediate solutions such as an Industry Labor Agreement are also needed

While waiting for the wages case to be resolved in the medium to long term, immediate solutions are necessary. Consideration must be given to the impacts on the ECEC and caring sectors in examining this Bill, and solution(s) would be welcomed. For example, an Industry Labour Agreement to support targeted skilled migration of an early learning workforce, similar to the Aged Care Labour Agreement, could be facilitated.

If we don't act soon, hundreds of experienced educators will be forced to leave the country over the next 12 months as their visas expire and the ECEC shortages across the country, particularly in rural and remote communities will worsen. This will be a devastating outcome for our educators, who we have often invested in considerably and for the vitally important relationships they have with our children and families which support children's learning and development.

Ros Baxter
CEO, Goodstart Early Learning

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