

## 1: Introduction

### 1.1: About Southport Children's Educational Centre

Southport Children's Educational Centre is a privately owned and operated early education and care service in a long day care setting caring for over 140 children per week. We currently employ 21 permanent educators within our service and of these;

- 2 educators hold Bachelor qualifications and another is currently studying for this qualification
- 6 educators hold an Advanced Diploma qualification
- 11 educators hold a Diploma qualification
- 2 educators hold a Certificate III qualification

Our service is a long established service and caters to a diverse clientele. The families utilising our service include;

- both working and non-working families;
- families from both high and low socio economic backgrounds;
- 4% of our families identify as indigenous;
- approximately 35% of our families don't speak English as a first language.

We are extremely proud of the quality of education and care that we provide to the children and families within our service. We have an amazing team of educators whose main focus is to provide the best possible outcomes for the children in our care.

### 1.2 Submission Overview

In the past year we have observed a changing trend in the way that families utilise early education and care and believe that financial pressures and workforce participation has played an integral role in this.

We support the Quality initiatives that have been implemented within the NQF but believe that more needs to be done to ensure quality throughout the profession. Educators need to be highly valued for the strong contribution they make to Australian society. From a business perspective we have faced significant pressure with regards to attracting and retaining qualified and experienced educators due to the low pay and status for educators within this profession. Educators are integral in providing quality education and care for children and this needs to be acknowledged.

Our hope is that the members of the Productivity Commission through their focus on our profession can observe our value to Australian society and support Approved Providers and Educators to achieve better outcomes for children. Integral to creating a better early education and care environment is to improve the status and pay of educators, to provide better funding options for families to make care more affordable and providing an opportunity for universal access for all children.

## 2 Our Recommendations

### Recommendation 1 – Increase CCB Eligible Hours

Increase Child Care Benefit (CCB) eligible hours for working families from 50 hours per week to 60 hours to reflect 5 full days in a long day care environment.

#### Comments

We believe that by increasing CCB eligible hours from 50 hours to 60 hours per week workforce participation will increase. Over the last 2 years families seem to be having more difficulty meeting their financial obligations. Many families who were previously working full time and had their children in early education and care services full time have reduced to 3 or 4 days per week simply due to the costs. Working 3 days per week means that CCB can cover all hours in attendance AND you can receive the additional CCB Part Time Loading Allowance to make your fees cheaper. Working five days per week means that you don't receive the Part Time Loading Allowance at all and you only receive CCB for 2 eligible hours each Friday often meaning that it is not worthwhile for families to work full time.

For Australia to be a successful nation increased workforce participation is essential. From talking with everyday families within our service many have decided that it is not financially viable. In the last two years the number of families using full time care within our service has dropped by 50% with more families choosing part time care instead.

### Recommendation 2 – Increase the CCR Cap

Increase the Child Care Rebate (CCR) threshold from \$7,500 to at least \$10,000 per child per annum and ensure that it is indexed annually in line with CPI increases.

#### Comments

Each year we have a number of families who by February or March reach their CCR threshold meaning that they experience a significant increase in their child care fees for the last 3 – 4 months of the financial year. This is often unexpected for the families in their first year of care so is often unbudgeted and places undue financial strain on these families. The cost of living rises each year and it is important that CCR is indexed annually to keep up with these rising expenses.

### Recommendation 3 – Pay CCR directly to services

To provide greater flexibility to families the government initially set up CCR with a variety of payment options to allow more choice for families. However over the last few years we have noticed that many families choose to receive the rebate directly but do not use this for its intended purpose of reducing their child care fees. Often these families are the vulnerable families who are using our service.

#### Comments

Currently we have 5 families attending our service who we would class as vulnerable, they need support and their children need every advantage that we can offer them of a quality education and a positive and caring environment. Each of these families collects the CCR directly and each of these families are receiving 100% CCB. These 5 families also have outstanding child care bills at our centre for over \$1,000 each. As a service we are in a difficult position; from a business perspective we

should ask these families to leave our service as they are not meeting their financial obligations. However, from an ethical perspective how could we ask them to leave? There is no flexibility for them to change their CCR payment option to help manage their child care fees so it remains a constant problem.

#### Recommendation 4 – Create a sustainable workforce by enhancing the status, pay and career path for educators

The backbone of the early education and care profession are our educators. Our educators as a whole are the most dedicated passionate and caring individuals. We work tirelessly to create a better future for the children of Australia. However our educators have little career path, have a low standing within the community, are poorly paid and work in their own time to complete all the necessary paperwork associated with their role.

##### Comments

In order to improve the professionalism and status of educators we have all been upskilling over the past few years. As you can see from our introduction 1.1 the majority of educators within our service are highly qualified, but did you know that when educators who have the Diploma in Children's Services qualification seek to better themselves and obtain an Advanced Diploma qualification that they do so simply for the benefit of additional knowledge. After a financial outlay of over \$1,000 for the course plus their study materials and their time for study, educators who obtain the Advanced Diploma qualification do not receive any increase in their wage! Is there any other profession where you study full time for 12 months and receive no extra money in your weekly wages?

Also did you know that an educator who holds a Bachelor of Education (4 years of study) may only receive an extra \$1.34 per hour than an educator with a Diploma (2 years of study) qualification? But if the same educator with the Bachelor of Education works in a school environment rather than an early education and care service they can earn at least \$10,000 more per annum and at the same time work shorter hours each day and have more paid holidays.

In order to create quality outcomes for children we must have a sustainable workforce. In the last year we have lost 2 educators from our service. One educator has left to go to University to retrain in another profession due to the low level of pay within our sector. Another educator left to work in a family business as she earns more working in a restaurant than as an educator. We currently have an educator studying her Bachelor degree but she has already advised us that upon completion she will be leaving to enter the school system for better wages and conditions. These 3 educators are a definite loss to our profession – they are motivated, inspired and dedicated teachers who have left or are leaving simply because of the poor status and pay, this is a sad indictment on our profession and really does present a problem for our profession if we were to lose 10% of educators each year.

#### Recommendation 5 – Review Inclusion Support Subsidy

It is essential that all children have access to quality educational programs and the Inclusion Support program is essential to ensuring that children with additional needs are able to access early education and care services. However did you know that services only receive support for 5 hours per day, regardless of how many hours the child attends?

##### Comments

It is essential that the Inclusion Support program be reviewed to ensure that services receive support for the actual hours that children attend your service. Services often require the support of an additional educator to support the inclusion of a child with additional needs. This child may have

high support needs, such as needing constant support with mobility, feeding, toileting, etc however no matter how many hours the child attends services only receive support for 5 hours. This places undue stress on families and services and also impacts on the other children in the group if an educator is supporting the child with additional needs as the five hours of support has already been used.

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Forwin Childcare Investments