

## **Submission to the Productivity Commission's Report on Childcare and Early Childhood Learning**

I have worked in the Early Education sector for 9 years as an educator with Family Day Care. During this time I have seen many changes, some of which I don't think are for the better. I have a Diploma in Primary Teaching as well as a Cert III in Children's Services.

### **Ratios**

One of the most significant changes for NSW has been the change of ratios for Family Day Care which came into effect on January 1<sup>st</sup> 2014.

Previous to this date the ratio was one educator to every seven children (1:7) between birth and age 12, with a **maximum of five children** not yet attending school.

From 1 January 2014 the ratio for family day care services changed to one educator to every seven children (1:7) between birth and 13 years of age, with a **maximum of four** children not yet attending school. This includes the family day care educator's own children, unless another adult is present and caring for the children.

I am VERY disappointed that the government has not listened to the huge number of early childhood workers, parents and others who have campaigned to have the ratio in NSW for children under 5 in Family Day Care remain at 1:5 until after

- a) the Productivity Commission has returned it's findings, and
- b) some research has been undertaken to support the change.

The impact this ratio changes has had has been huge:

1. There has been a decrease in income for educators, or a considerable increase in fees for parents;
2. There has been a decrease in Child care places;
3. There has been a decrease in income for Schemes, which may result in Schemes having to close.
4. There will be a loss if educators, as some educators close their businesses due to no longer being viable
5. Family Day Care will no longer be a viable career choice due to poor remuneration.

Family Day Care Educators were in the unique position that although we had potentially 5 children in care at any one time, unlike long day care centres, we did not have all children at the same age. For example we did not have 5 babies in care at one time. Because of the varying ages we are able to give quality care to all children.

Quite often if we have a couple of babies or very small children we may only have 2 or 3 children awake at any one time due to sleep patterns. So we are able to deliver quality care to 5 children throughout the day. I firmly believe that the dangers of reducing the ratio from 5 to 4 far outweigh any potential advantage there may be.

The current ratio requirement favours centres that can have:

- 1:4 for Birth to 24 months;
- 1:8 for 24 to 36 months (to change to 1:5 as of 31/12/2015) and
- 1:10 for over 36 months but not attending school.

Since FDC educators care for children from a variety of ages why are family day care educators only limited to the ratios that centres have for birth to 24 months. For instance, this year I only have 1 child per day under the age of 24 months, so why can I only have 4 children in care, while those working in centres are caring for 8 – 10 children each???

### **1. There will be a decrease in income or a considerable increase in fees**

When I returned to work as a Family Day Care Educator this year I took an immediate pay cut of 20%. In order to cover the loss I would have to raise my fees \$16.25 per day per child to replace the \$65 I have lost. If I do this, and charge \$81.25, I'm unable to compete with the Long Day Care Centres and Pre-schools in our town, who charge around \$70 per day.

And even if I was able to pass this increase on to parents it has an immediate effect on their family budget. For parents with 2 children in care that would amount to an extra \$32.50 per day.

While centres have the ability to distribute their costs due to the change in ratios across 30 to 50 children, educators in Family Day care only had 5 children in care and the decrease in income would have to be evenly distributed over the remaining 4 families.

### **2. There has been a decrease in Child care places;**

I know this may seem logical to point out, but obviously if each Educator has had to lose 1 child per day, this is going to lead to a significant loss of day care places.

Our Scheme has approximately 40 educators. If each of these educators works an average of 4 days per week, this means there is now **160 less places per week** in our area.

Imagine the impact this has had across NSW, which has approximately 3884 educators. Again, if these educators work an average of 4 days per week, this means there is now at least 15,536 less day care places PER WEEK across NSW.

The above figures do not allow for educators who have closed their service because of the decrease in their wages listed in section 1.

If even 10% of educators in our town close their services this would leave a further shortage of 64 places PER WEEK. Combined with the 160 places mentioned above, this makes a loss of 224 places. **This is the equivalent of 3 - 4 long day care centres closing in our town.**

If even 10% of educators in NSW close their services this would leave a further shortage of 6,214 places PER WEEK. Combined with the 15,536 places mentioned above, this makes a loss of 21,750 places. **This is the equivalent of 270 long day care centres closing across the state.**

### **3. There has been a decrease in income for Schemes, which may result in Schemes having to close.**

The change in ratios has also impacted the income available to Schemes as well. Our Scheme alone has lost around \$800 - \$900 per week just in admin levy from families alone.

This works out at around \$45,000 per year, with about the same amount again being lost in Government Network Funding. For some Schemes this will mean closing.

This has huge implications for educators, families, the viability of Schemes and workplaces.

### **4. There will be a loss if educators, as some educators close their businesses due to no longer being viable**

I know of many educators who have said they will give the new ratios 6 months and if their services are unviable they will close. Educators have had increasing demands placed on them over the years with increased regulations and paperwork, yet they are still expected to work for "babysitting" wages.

I have a Diploma in Primary education, as well as my Certificate III in Children's Services. I have chosen to work in Early Childhood Education as it is so satisfying and I love small children, but whether I will be able to continue working in Family Day Care long term, from a financial standpoint, will be the question.

### **5. Family Day Care will no longer be a viable career choice due to poor remuneration**

While educators across the state have the ability to set their own fees, they do have to stay competitive in the market. In our town most centres charge around \$70 per day.

If an educator worked a 10 hour day this would amount to \$7 per hour per child.

Using that as base let's look at what that looks like for an educator in our town:

- **Maximum Total income** for a 10 hour day would be \$280 (4 children in care x 10 hours x \$7 for the day). Of course, that's only if all 4 children come for the entire day. Some parents only use 6 - 8 hours of care. And some educators have their own children still at home, reducing their income even further.
- **Less \$34** paid to the Scheme in administrative levy
- **Less \$28** put away for superannuation
- **Less \$28** put away for annual leave and 4 sick days
- **Less \$20** in running costs and costs of resources

This leaves a maximum total of \$170 for the day. Over and above the paid 10 hours when children are in care, educators would have **at least** a minimum of another hour per day of work in setting up, cleaning up and administration, resulting in an 11 hour day. This results in a maximum income of \$15.45 per hour (\$170 for 11 hours of work). **This is significantly less than the minimum wage.**

For this very reason I know many educators who forego annual leave and/or superannuation just to make ends meet. A person should be better off being self employed. Not worse.

Being a Family Day Care Educator will no longer be a viable career choice for many educators.

### **While Early Childhood Education is highly valued; the educators who provide this service are not**

How do I know this? Simply from what the Government expects Educators to work for. While Early Education is considered a professional career, Educators across the board, whether in Family Day Care, Preschool or Long Day Care are simply **NOT** earning a professional wage.

The DEEWR website states: "We know that the first five years of a child's life shapes their future – their health, learning and social development – and we want to make sure that their future is bright. Early childhood experts and professionals maintain that quality is critical when it comes to early childhood education and care."

And yet the professionals delivering this quality care are not valued compared to professionals in other teaching areas.

Consider a first year out Primary Teacher:

The *Teach NSW* website states: "NSW public school teachers enjoy one of the highest commencing salaries of any profession and have access to a generous range of employment benefits.

In 2013, four-year trained teachers **start on** a salary of \$59,706. Salary increases are by annual increments subject to satisfactory performance, with our most experienced classroom teachers earning \$89,050 in 2013.

In addition to this they receive 12 weeks holidays and leave loading for 4 weeks of that annual leave – which is definitely not available to Early Childhood educators.

In the Educational Service (Teachers) Award 2010 the current salary is \$43,274 (three year trained) or \$45,637 for four year trained. Many educators have studied for the equivalent time it takes to become a primary or high school teacher yet this is not reflected in salary structures.

## **Nannies and Au pairs**

It is the opinion of some people that the Child Care Benefit and the Child Care Tax Rebate should be available to families employing nannies or au pairs. However, whilst this may assist in abating the shortage of places, there is simply no way to successfully regulate this type of care.

Who would monitor the amount of hours nannies actually worked and the quality of care given etc? Who would monitor how much child care took place in comparison to other household duties?

I believe there is just too much opportunity for people to misuse this type of care.

## **Over Regulation**

While many of the changes that have taken place over the past few years have resulted in better quality care, there are some which have not.

The increase in paperwork/regulations, on national, state and local levels, has had a detrimental effect on the workplace and morale of educators across the board.

For instance:

- A common complaint amongst educators is that the time spent completing paperwork takes away from what we love to do most – caring for the children.
- Quite often quality interactions are disrupted by the need to document what is going on.
- Paperwork is sapping the joy out of what we do.
- One of the reasons parents choose family day care is that they prefer a family/home environment. A common complaint I hear from parents is that if they wanted centre-based care then they would have placed their child in a centre. Many parents feel the benefits of FDC are being swallowed up by over-regulation.
- Many educators have ceased going on excursions/playgroups and other outings simply because of the amount of paperwork involved.

## **Recommendations**

- **Reverse the ratio change decision so the Family Day Care educators nationwide are able to have** one educator to every seven children (1:7) between birth and age 12, with a ***maximum of five children*** not yet attending school.
- If the government is committed to the 1:4 ratio then the CCB and CTR needs to be increased to offset the higher cost of fees to parents.
- If the government is truly committed to quality care in the early childhood sector it must address the issue of poorly paid educators, both in the Long Day Care Services and in Family Day Care.
- The regulations should reflect the advantages/strengths of Family Day Services in their own right and capitalise on them rather than treating them like a mini day care centre.
- Lessen the amount of CCB available to families who do not meet the Work, Training, Study test. If there is a stay-at-home parent available to care for their child then CCB should be limited to a maximum of 16 hours per week, instead of the 24 hours currently available. This would lessen the financial burden on the government and taxpayers, as well as opening up additional day care places.