

Thrive Group Tasmania Submission to the Inquiry into Early Childhood Education and Care by The Productivity Commission

Issues

- Complexity of funding – activity test, proving genuine liability, estimating wages
- Restricted funding uses (CCCF sustainability funding can't be used for wages despite evidence that on average Wages take up 60% of a service budget. Our experience in regional areas is that this is much higher and in some cases wages can exceed income. Even with CCCF funding, without internal cross subsidising of services many services would not be viable.)
- No Staff - Trouble attracting staff (Low pay, high workload, competitive market) Services do not have the staff to utilise all their approved places despite the community need and as shown in the Productivity Commission's Child Care Appendix h, services operating at less than 70% are loss making. Low staff numbers lead to extra expenditure on wages as the remaining staff work overtime to meet the service's needs. Retention of quality Educators (FDC & Service based). Due to our more stringent documentation and regulatory requirements schools and other services poach our well-trained and highly competent staff, who leave for more money and a less stressful job with far less responsibility. Paradoxically this leads to many teachers seeing educators as TA's and not recognising their expertise in early childhood education as until you are confronted with the differences, even other education professionals don't realise just how regulated the ECEC sector is.
- The Sector tends to be viewed as an "easy Job" by those who are removed from the daily experiences of educators in the service and the work is often reductively viewed as just minding children and wiping noses. Even many parents, while grateful for what we do, have an "alive by 5" mentality (As long as they are safe and well when I pick them up after work). This dismissive attitude makes educators feel undervalued and contributes to burn out. Educators need recognition for the challenging aspects of their work.
- Staff burn out from working too much overtime, but don't feel able to take time off because of community pressure and the knowledge that if they are away the service may need to close.
- The most critical impact we can have on a child's development is in the first 1000 days (Conception to 2 years old). These are the least profitable years for an ECEC services (ratio 1:4 until 2, 1:5 until 3) In order to remain viable service have to sacrifice places in the most important time in a child's life in order to make room for more 3 year olds (ratio 1:10) or even School aged children (OSHC ratio 1:15)

- Due to the profitability of 3 to 5-year-old enrolments, ECEC services and support services spend time addressing issues rather than preventing issues by working with families while children are in the first 1000 days
- In order to keep pace with wage costs (assuming all other factors remain static), parent fees must increase by 1% a year for the first 6 years of operations, assuming a new service with all new (lowest award wage) staff. This does not take into account any other costs.
- Difficulty/cost for educators to ensure their house is at FDC standard
- There is a lack of awareness of FDC in communities. This is often one of the best ways we can support more remote communities when there are insufficient numbers to support a stand-alone service economically. FDC providers also need more funding/incentives to service these areas, as it can be a costly endeavour. (1:25 coordinator to educator ratio requirement means a coordinator needs to be able to service a lot of educators. This can mean large amounts of travel and overnight stays if they are overseeing educators in multiple remote regions.)
- Reputation of FDC as fraudulent – due to a number of High profile stories in the past FDC educators are sometimes seen as deceptive/dodgy and trying to fraudulently acquire government funds. This has contributed to a slow decline in FDC educators. Of the 9 Providers present in Tasmania in 2019 only 6 still operate and only 1 additional service has opened. (Currently 7 FDC providers operating in Tasmania) Of these 7 providers at least 3 have less than 10 educators and 1 has 2 or less.
- Qualification requirements – whilst we strongly support the need for educators to be educated and qualified professionals, not enough has been done to attract new entrants to the sector or ensure that they are undertaking the right qualifications. This is especially true in the FDC space as from 1 July 2023, FDC educators will need to have completed at least a Cert III before they can commence. Whilst this sounds good in theory, the reality is that many will not undertake any studies without the ability to earn while they learn and therefore we will see a continued decline in FDC services. This is problematic as they represent an important component of the ECEC service mix and fill the gaps left by pure centre based services and school based OSHC services which are unable to cater to all the community needs in each community for every family. There are many benefits to FDC services including the smaller ratios, home-like environment that works really well for some children, the outside hours education and care including weekend or overnight sessions (flexible/non-standard hours) along with the gainful employment of those educators in running their own small businesses. Quite often, families form deep connections with their FDC educator and some of these last a lifetime.

Proposals

- Universal access
- Scrap current funding systems and replace with a model that more closely recognises and responds to organisational and community needs
- Pay service \$15-20 an hour per child sessionally. Same system for FDC educators, provider Service agreement defines how the money is apportioned (For instance 2/3 to educator and 1/3 to AP). Out-of-scope care charged at a marginal rate to FDC educators only. In home care has additional fees attached.
- Advertising campaign to raise awareness of positive side of FDC and all the good the system can still do.
- New higher wages to be paid for by new system (current wages can still be addressed under current system)
- Advertising campaign to attract applicants to the new system (You could be earning \$60K + super adjusted for inflation a year in 2024 if you complete your Cert III in education and care and start at an Early learning Service, (Dip \$71K, ECT \$82K) Numbers based on current rates + 25%
- Recognise the work that has already been done (since 2012 the Sector formerly known as child care have been working under the Federal Governments new Education focused Nationally Quality Framework. The Education and Care service is now being brought even more in line with the rest of the education system with our new universal access system, where all children can access basic ECEC for up to 12 hours a day for free.
- Increases quality of education by encouraging a new cohort of educators to enter the sector, knowing it is about education, not wiping noses. Retains current educators by recognising the work they have done and continue to do.
- This will help improve outcomes by making it possible for more children to have access to early childhood professionals from a younger age. Increasing the developmental and educational outcomes of the children by being proactive instead of reactive.
- Child-free days for training purposes (as a NFP market failure model large provider with services right across Tasmania it is extremely difficult for us to implement any service-wide professional development or training as it results in significant disruption or centre closures)
- Outside-the-box thinking to enable solutions outside of traditional centre-based services including the potential for mobile education and care services to support remote communities with some offerings.
- Increased incentives to attract participants to the sector including training and wage incentives, education around the various roles including Family Day Care and a scheme to assist FDC educators to make the sometimes costly compliance modifications to their home environments
- A review of qualification requirements to help get new entrants to the sector and then progress them on a quality and training pathway once they are through the door rather than creating barriers to entry

- Recognition of the vast compliance gap that exists between school-based and other ECEC services which logically makes no sense given they are the same children transitioning between the two environments. This gap has made working in a school-based environment more favourable along with the additional opportunities to take holidays throughout the year and higher pay. If the gap were closed and school settings were subject to the same requirements under ACECQA and the NQF, resourcing such as staff could be shared throughout the sector in both settings and placements would be more about working with specific age groups and learning pedagogical requirements for that age group.
- Recognition that different communities require different operating calibrations and sometimes NFP operators are the only viable option. Our model works well in terms of minimising operating costs through economies of scale and a centralised head office model, but this also increases costs associated with having to complete funding applications and the individual service level, instead of being treated as one organisation.