



An Australian Government Initiative



MID NORTH COAST

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Early Childhood Education and Care
Productivity Commission
Locked Bag 2, Collins Street East
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Dear Commissioners

Response to Early Childhood Education and Care Draft Report

Thank you for the opportunity to provide a submission as part of the public consultation on the Productivity Commission's Draft Report on the inquiry into Early Childhood Education and Care. Regional Development Australia Mid North Coast (RDAMNC) has read through this draft report with interest and make comment below.

By way of context, in September 2023, RDAMNC conducted a survey of ECEC providers and parents within our region, and the data that we collected aligns quite closely with the graphs in Figure 7, page 18 of the draft report. Those graphs indicate that even with centre-based day care, family day care and designated pre-schools our region is still in the bottom two categories and the situation on the Mid North Coast is critical. Some of the key statistics from our survey indicate that:

From Providers

- Only 52% of providers take children under the age of 1. This only increases to 58% once a child turns 1 and 79% when a child turns 2.
- The average number of families on a wait list is 136 (noting this does exclude those who are on multiple lists).
- 25% of providers are operating under approved limits due to staff shortages.
- 33% of providers have had vacancies for over 12 months and have been unable to fill them.

From Families

- 92% of respondents had children under the age of 2 that require access to ECEC.
- 52% of respondents are not able to access **ANY** ECEC.
- 91% of respondents are on one or more waitlists.
- Families are on an average of 4.7 wait lists.
- 85% of respondents are working less hours than they need or want to due to lack of access to ECEC.
- An analysis by an economist we commissioned estimated that this could result in approximately **\$383 million** a year in lost wages within our region alone.

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Whilst we are supportive of the recommendations within the draft report and acknowledge that the workforce challenges are represented within it, a lot of these are all long-term solutions and the Mid North Coast, like a lot of other regions within the country, are in urgent need of short-term solutions to address the workforce shortages and subsequent base-level of access for families to ECEC and to support our workforce in general. For example, feedback from our surveys indicated essential workers such as General Practitioners, nurses and midwives have been unable to return to work due to the lack of ECEC available.

In addition to the Fair Work wage review, which may result in higher wages for ECEC workers, feedback we have received has indicated other short-term funding mechanisms could be used by Government (both Federal and State) to attract people to the sector such as completion incentives on Certificate and Diploma qualifications, relocation assistance to ECEC professionals to relocate to regional and remote communities from metro areas, start-up grants to Family Day Care educators to assist with the cost of setting up their business, and positive promotion of the sector on various media platforms.

Given the demand for ECEC for children under the age of 2 in our region, Family Day Care and the funding model for this age bracket within the centre-based day-care system both need an urgent review to make them more attractive business models for sole-traders and businesses alike to enable greater access to families. Cost of living pressures are seeing more and more families needing both parents to be working, which means mothers, in particular, are needing to re-enter the workforce while their children are still very young and the current ECEC model is not meeting the demand - in fact, it is a long way behind.

The workforce and service shortage on the Mid North Coast also means parents on the Mid North Coast are not given a 'choice' when it comes to being able to select the ECEC provider that is the best option for their child – if a place is offered families are feeling obliged to take it out of fear of not being offered a place anywhere else that might provide a better outcome for their children or they have to choose to not work which has financial impacts on families as well.

Reductions in the Childcare Subsidy provide some relief for families, but it should be recognised that it only provides relief for the families that have access to ECEC. As shown by our survey results, 52% of respondents do not have access to any formal ECEC, which means there are a lot of families that are missing out on the reduced subsidy in addition to the loss of employment and study opportunities.

I have attached a summary of the results of our surveys and associated economic analysis. This information can also be found on our website (<https://rdamnc.org.au/projects/childcare-on-the-mid-north-coast/>).

If you would like to discuss any of the above in further detail, please contact me on

Yours sincerely

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