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Productivity Commission
Early Childhood Education and Care (ECEC)
Submission in response to Draft Report

Dear Commissioners

I write in my capacity as Federal Member for Macquarie, to amplify the issues that my constituents are encountering with early childhood education and care (ECEC).

I have conducted zooms, sent out emails asking for feedback, and had face-to-face and phone conversations with parents, grandparents, ECEC workers and ECEC providers. I also heard from community organisations and Blue Mountains City Council as part of this process. I note that the draft report finds that children who would benefit most from ECEC are less likely to attend, and it is my experience that families experiencing disadvantage and vulnerability were less likely to participate in my community consultation on this issue.

I was pleased to see that availability, affordability, inclusion and flexibility have been featured in the Commission's draft findings and recommendations. The feedback that I gathered supports these key areas of focus, but it also highlights the profound impact a lack of childcare spaces is having on the economic independence of women in particular.

I would like to take this opportunity to highlight these additional key areas for my community:

- The need for ECEC to cater for essential services workers like paramedics, firefighters, nurses and more broadly those who work shifts and rotating rosters.
- Recognition that parents are having to travel outside of their community to find childcare, and the range of impacts this can have on parents and children, including social impact when starting "big" school. This can involve additional travel of 20 or 30kms each way, or even more, as people turn to centres in the Penrith region.
- The need for more OOSH/OSHC services.
- The additional challenges faced by flood and bushfire prone areas and how this exacerbates lack of availability because of building restrictions.
- The need for support for innovative services that may help meet flexibility needs eg creches.
- Co-locating more childcare services inside school premises

1. ECEC and OSHC/OOSH availability

Families, workers and providers have told me about the difficulty in finding childcare places for their children. Families who are unfamiliar with the waiting lists are caught unawares when they make an enquiry towards the end of their parental leave and are told that they should have put the child's name down during pregnancy. Even mums with newborns are advised that they will not get a place for up to 2 years. This also puts ECEC workers and Directors in the difficult situation of providing emotional support to families who regularly email and phone the service to ask if a place has come up.

For example in January 2024, one Blue Mountains service advised me that they accepted only siblings, so there were no new families offered places.

Parents from the Blue Mountains and Hawkesbury are travelling to suburbs outside of their LGA to find a childcare place, including one parent who takes her 2 yr old twins from the Lower Blue Mountains to St Marys (approximately 25 km) for childcare because "I had their names on multiple lists since 9 months... nobody contacted me. I ended up finding childcare in St Marys... luckily work in Westmead most days, but when I work in Springwood it is a major inconvenience." Another lives in Lawson and works at home but has had to take her son to a centre in Emu Plains. She must either travel for 2 hours each day so that she can work, or find a place close to the centre to work.

This can mean that when children are ready to start school, they will attend different schools than their childcare cohort and feel less settled than those children who can go to the same "big" school as their friends from childcare.

There are also significant gaps and therefore lack of availability in OOSH/OSHC services in my community which also impacts on workforce participation for women. As one mother said "when my child starts school next year I will be cutting hours further as there are no OOSH available in the area."

For families who could not find a place at all, this led to significant negative impacts on their lifestyle, work plans and study options. One mother said "We are a single income household simply because we couldn't get child care. My child was on all the waiting lists from birth (19 months ago.) We are entitled to zero government assistance because there is no child care available" Another said "No child care available, inflation is affecting our cost of living, I have no support here so I don't have any other child minding options that are trustworthy or safe and affordable, because of this I can't attend work which means I struggle even more to make ends meet on a Centrelink payment. I can't attend classes or courses for the duration of time because they also require consistent days."

Conclusion: Lack of availability is impacting workforce participation, especially that of women, and needs to be addressed.

2. Additional challenges of flood and bushfire prone land

Availability is impacted by some specific geographical challenges in my electorate, compounding the shortages in places and workforce shortages that are already there, and restricting the ability of operators to expand to meet the need they are seeing in the sector.

The key issues appear to be as follows:

- a) restrictions on land usage due to bushfire risk and/or flood risk, leading to reduced options for expansion of existing centres as well as the building of new centres
- b) the challenge of attracting and keeping qualified ECEC workers to keep services operating in small populations in towns and semi-rural villages on the edges of my electorate, such as Wiseman's Ferry and Blackheath.
- c) reliance on not-for-profit sector services like mobile playgroups to meet social and play needs where the for-profit sector chooses not to operate

One operator told me that her property was on a large piece of land but she knew she would be unable to expand because of the bushfire building requirements. Another operator told me she wished to expand but because her centre was considered to be on flood-prone land, it would not be approved even though they have a comprehensive flood plan and during previous floods families brought their children to the centre to be safely cared for while the parents cleaned floodwater mud out their homes and businesses. One operator said that Family Day Care availability was also impacted in this way: "Our service always has a big waitlist for people who specifically want Family Day Care but as we are limited in increasing the number of educators we have due to the bushfire zoning regulations we can never quite meet demand. We hear of families going to centres or using family to help as they can't get a spot with us"

Conclusion: New approaches may be needed in locations which are not geographically remote but face specific challenges around land-use permissions that are hindering the expansion of services.

3. Affordability

As the draft report has highlighted, applying for ECEC subsidies is complex and time consuming. Families tell me their applications often take 4 weeks to be processed, which is an unexpected burden on the budgeting they had undertaken for the end of their parental leave and their return to work period.

ECEC Directors and services tell me that they are put under administrative pressure as well as financial pressure when the family has delays with their CCS as families will often ask them to allow a debt to accrue because they cannot afford to pay the full fees until the CCS application is approved. Small operators find this situation particularly challenging.

Parents feel the regular price increases for childcare are excessive, and coincided with the 2023 fee relief from the Federal Government: "As much as I appreciate what the current government is trying to do to improve the cost of childcare, it appears that every time an announcement is made by the government that costs will become cheaper the centre raises its fees so our out of pocket costs are the same or more each day. This week alone our centre in Hawkesbury has gone up 9% after a 9% raise 6 months ago. Under Labor's current plan our subsidy will go from 50 to 60% but that isn't reducing the cost. The large raises has caused my wife to have to take an extra day off work and remove both children from a day. We earn too much to be able to get further assistance but not enough not to struggle with these large increases."

Another says "We get advised that our childcare subsidy would increase which we thought was a small win for our family, within a week we are getting an email from the childcare in our Hawkesbury community that they are upping our childcare fees by \$15 a day... For me and my

family that's \$180 a fortnight”

Parents also highlighted their concern when fee rises push prices above the hourly cap meaning CCS cannot assist them with the increase.

When these factors are combined with lack of available places, families (mainly women) are forced to reduce their workforce participation either by dropping work days or not returning to work at all.

Parents also felt that the current CCS levels and brackets did not meet their needs: “I'm a university post grad that's doing less hours of work due to the ridiculous cost of childcare. The GDP of Australia could do much better if middle families are helped out some more... I'm willing to work more but it's unsustainable in cost so my family and the economy lose out.”

Conclusion: Further examination of subsidy rates and cost is warranted

4. Inclusivity

Parents told me of the toll it takes on them when their child is denied ECEC because a centre is unable to meet their child's additional needs. Not only does this restrict the work or study options for parents, but causes deep distress and feelings of being shunned by their community.

Lack of availability, workforce shortages, and difficulties in expanding centres as outlined above are also likely to be hindering inclusivity.

In addition, there is a need for culturally appropriate options, as noted in the Blue Mountains Parent and Carer Research Report from Blue Mountains City Council “There is a reluctance from some Aboriginal community members to use non-Aboriginal services, due to past trauma and history. There is a strong interest in accessing play groups and services that employ Aboriginal staff and help keep kids connected to culture, and a need to ensure all services are culturally safe and competent.”

Conclusion: The social impact of being denied ECEC is significant and lasting. More inclusive services must be a priority.

5. Flexibility

Families spoke to me about their work not aligning with the hours and days of operation in the ECEC sector, and the way placements are organised at the start of the calendar year being problematic.

Preschool services offering 9am-3pm Monday to Friday during school terms were often supplemented with informal care from grandparents who could drop off or pick up children, and could care for them for longer hours and in school holidays. For families without this informal care option, parents are forced to make changes to their preferred work schedules according to the hours and days they can get in preschool or in long day care settings.

One parent said “I am pregnant due in December 2023 and need to either start the baby in Jan 2024 (2mths old) or wait till Jan 2025 (14mths old) as midyear intakes no longer exist because everywhere is full from Jan. Severely impacts my job I want to return to in August and also cost of living as we can't afford to do 14mths on 1 income”.

As mentioned above, lack of flexibility often results in women working fewer days than they wished, or unable to adopt a course of study.

Alarming for one family in my electorate, the lack of flexibility in placement resulted in a mother unable to return to work in the Ambulance service, as the rostering was wholly incompatible with the hours and days that ECEC is offered in our community. The father said "As emergency service workers we required care 5am to 7pm but all centres we have spoke with say it's too expensive to pay staff before 7am or after 6pm. What is being done to assist essential workers find care outside business hours?"

Conclusion: Flexibility is vital for our essential workers like paramedics. This is an area requiring further attention, as the example provided to me is likely to be repeated in other essential worker roles like firefighters, as well as other careers in which workers have no flexibility in shift allocations.

6. Regulation

As noted in the Blue Mountains Parent and Carer Research Report "Service providers were far more likely to emphasise Centre reputation (100%) and family connection to Centres (85%) as factors influencing service choice rather than performance against the National Quality Standards (30%). Families however frequently highlighted service quality as a key concern and driver"

Families do care about quality, but communications from centres often pair their fee increase notifications with mention of their regulatory obligations, such as this example provided to me by a parent "The change in fees will also allow <redacted> to meet the new Early Years Learning Frameworks requirements for additional teachers, quality and compliance team members, and increased workloads for existing educators." As outlined in the Affordability section above, parents were disgruntled that the increase to their CCS was in many cases entirely absorbed by an increase in fees from their childcare centre and expressed a wish that there were protections in place to stop that from occurring. They felt that the increase was supposed to meet the pre-existing affordability challenges for families. Parents reflected that they would like to see steps taken so that measures intended to help families are not absorbed by childcare fee increases in future.

Parents have also told me that when they have made special accommodations to their work in order to match the childcare arrangement they have in place, they then feel vulnerable to fee increases because of the lack of available places elsewhere. Because they had already set their work hours and days with their employer, they are forced to pay any rise in costs even if it becomes unaffordable or else they will have to leave the workforce altogether. They would like to see protections in place around the frequency and degree of fee increases and/or for the daily cap to more accurately reflect the market pricing.

Parents also felt that regulations that must be met by Family Day Care educators was exacerbating the availability issue. One parent said "I have had my youngest son in family daycare (3 out of the 4 days we need) in which our educator is now closing her doors, because of impossible regulations for in home care. This is the same story for another family educator we had, who had to do the same. Not only have we lost our 2 wonderful family home Educators, but I know of another 3 in the Blue Mountains that have also closed their doors."

Conclusion: Parents would like to see price protections but also worry that excessive regulation exacerbates availability and affordability problems.

7. Too much reliance on for-profit sector

Parents felt that the reliance on market forces and for-profit operators in the ECEC sector was not serving them well. One parent, who used to work for a suburban City Council said "When I worked at <redacted> City Council, I saw firsthand the real difference council childcare centres made to working mothers' lives. Given that Labor is in all three levels of government and our PM knows how difficult it is for single mothers – shouldn't we start talking about funding a similar model... ? Because it is needed and the right thing to do. No Mum should have to choose between working and motherhood. It is not the 1980s."

Another said "the financial relief just given has all but been eaten away by price increases... this is what happens when the entire childcare network is a for profit industry."

Bub Hub Blue Mountains is an innovative service that has operated for 18 months in the Blue Mountains. They use an OOSH space (that is not occupied during school hours) to operate a creche and co-working environment that helps to meet some of the aforementioned challenges. Innovations like this need to be supported to develop and grow.

Conclusion: Parents are concerned that the ECEC sector relies too heavily on private providers and needs other approaches to balance this, and to ensure availability and flexibility needs are met.

8. Co-locating childcare with public schools

At Faulconbridge in the Blue Mountains there is a KU childcare centre located on the grounds of Faulconbridge Public School. I'm informed that the before and after school care and vacation care is just across the oval in the school hall, and that the school teachers bring their children to this childcare centre. This sort of model helps families with the logistics of morning and afternoon pickups of children across different age groups. Parents tell me that they would like to see more of this model of co-located childcare and primary schools, not just for the convenience but also for the sense of community it helps to build.

Conclusion: Co-locating long day care services inside school grounds has many social benefits and warrants further investigation

Thankyou for the opportunity to make a submission. My community and I look forward to further developments in these key areas.

Yours sincerely

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