

Productivity Commission – Early Childhood Education and Care Inquiry 2023
Personal submission: Cr. Graham Costin, 16 May 2023

Australia's early learning system is in crisis.

Too many families cannot access, or afford to access, early childhood education and care (ECEC). Parents are forced to choose between their careers and raising a family. Small rural and remote towns are unable to realise their community development and economic growth potential.

Early childhood educators are in short supply because of low wages and poor conditions. ECEC service providers are struggling to sustain their services due to staff shortages and high costs.

What is needed?

- 1) A wage increase for early childhood educators to address workforce shortages
- 2) Abolition of the Child Care Subsidy Activity Test to increase employment and volunteerism
- 3) Increased government funding to increase ECEC availability in rural and remote areas

Case study - Apollo Bay, Victoria

Apollo Bay is a small town on the Great Ocean Road. Its population is around 2,500, with a much lower-than-average population under 40 years and a much higher-than-average population over 60 years. The township is challenged by its distance from large population centres and its scarcity of affordable housing, key and essential workers, and childcare places. Its only childcare service has an uncertain future.

The town's kindergarten service has too often been forced to close at short notice due to staff shortages. Some staff travel excessively long distances or live away from their home residence during the week to sustain the service. Parents need to take time off work to look after their children when the kindergarten unexpectedly closes. Many parents work variable hours that depend on the time of year and their availability. They are disadvantaged by the complexity of the Activity Test.

Apollo Bay's locally-run childcare service has a waitlist of over 30 families. Despite this, it is operating at half its licensed capacity due to ongoing staff shortages. Low-paid childcare educators just can't afford to rent in the town even if long-term rentals were available (a situation compounded by property investment tax concessions and high short-term rental returns). Apollo Bay is relatively isolated from larger population centres with more affordable housing, so daily commuting from these centres is not a realistic long-term option.

The privately-operated childcare service is located in the Great Ocean Rd Health (GORH) building. GORH has historically provided low-cost rooms for the service to ensure it remains available for its healthcare staff. Notwithstanding, GORH now needs the rooms to expand its ancillary health services and has asked the childcare provider to relocate by the end of 2023. The provider says it is not financially viable to relocate due to the high cost of any alternate location options.

The closure of the existing service would adversely impact the availability of key and essential workers, especially in the healthcare and education sectors. Closure would also deter young families from moving to the town at a time when the town badly needs more young families to

ease its worker shortages and sustain the volunteer base needed for the ever-increasing demand on local essential services like CFA, SES, Ocean Rescue, Ambulance and Surf Lifesaving, and to support its school, sports and community service organisations.

A government-funded expansion of the Apollo Bay Early Years Hub (EYH) is urgently needed to include childcare. The EYH currently houses kindergarten and maternal and child health services. It is centrally located next to the Apollo Bay P-12 College. An extension for childcare is estimated to cost around \$2.5 million.

Government funding priorities based solely on Australian Early Childhood Development Census (AEDC) results and Socio-Economic Index for Areas (SEIFA) data don't take into account the ECEC challenges facing Apollo Bay, nor do they consider the potential for improved community health and well-being and economic growth that can result from providing sustainable responses to these challenges.

Ensuring a sustainable ECEC system offers a quadruple dividend – it sets children up for a great start in life, helps working families to get ahead, enables workforce participation and economic prosperity, and supports volunteerism in the community.

Please don't hesitate to contact me if you need more information

Sincerely,

Cr Graham Costin
Apollo Bay