



Inquiry into Early Childhood Education and Care: BHP Submission

1. Introduction

BHP welcomes the opportunity to contribute to the Productivity Commission's inquiry into the early childhood education and care (ECEC) sector.

As one of Australia's largest employers, BHP recognises the critical role ECEC plays in ensuring parents can participate in the workforce to the extent they choose.

BHP's workforce is predominately, and proudly, regionally based, with many relying on childcare services to balance work and family responsibilities. Drawing on insights shared by our workers – and the local communities they are part of – this submission aims to:

- a) Raise awareness of critical childcare shortages in areas of regional Australia where BHP operates;
- b) Highlight measures being taken in response to these shortages; and
- c) Identify opportunities for further action.

2. Overview

BHP has observed a critical and ongoing shortage of childcare in the regional communities where we operate. Research suggests the shortage is primarily driven by a significant shortage of qualified childcare workers, resulting in ECEC centres operating well below their licensed capacity.

BHP recognises the fundamental importance of ECEC for families in regional communities. As a major regional employer, we also recognise a lack of quality childcare is a barrier to attracting and retaining workers, and has an impact on efforts to achieve a gender-balanced workforce by 2025.

To support our workforce and local communities, BHP has funded (and co-funded) a range of initiatives to help improve access to childcare. These include social investments aimed at improving educator recruitment, training and retention, as well as more direct interventions such as the conversion of BHP housing stock into family day care centres and the provision of accommodation for ECEC workers.

While BHP is committed to progressing these projects and initiatives, we know that, ultimately, more is needed.

For this reason, we encourage the Inquiry to recognise the unique challenges facing regional childcare and consider opportunities to:

- a) Deploy a high-profile educator attraction campaign for the regions, coordinated by government with support from key regional stakeholders, including major employers;
- b) Review and simplify skilled migration levers for overseas trained ECEC workers to help meet regional demand;
- c) Provide incentives for students obtaining ECEC qualifications to work in regional areas (for example, by offering relief on course fees);
- d) Urgently accelerate work to develop a greater diversity of childcare options in regional areas (for example, family daycare) to accommodate parents working shift work or non-standard hours;
- e) Investigate the potential for public/private partnerships between Federal and State Governments, and large businesses operating in regional areas, to construct or upgrade compliant childcare facilities. (Noting that infrastructure investments are parallel to the items above to ensure maximum utilisation of the infrastructure).

BHP would also welcome the opportunity to share insights and learnings from the childcare initiatives we are funding and participating in across Queensland, Western Australia and South Australia, given there may be potential to further leverage or upscale these initiatives in other parts of regional Australia.

3. About BHP

BHP is a leading global resources company, supplying commodities essential for everyday life, economic development and the energy transition. We have an extensive presence in Australia and employ around 50,000 people across the country in skilled, well-paid jobs.

As part of our commitment to attracting and retaining the best people, BHP offers a range of policies aimed at giving parents choice and flexibility in balancing work and family life. We offer:

- 18 weeks' paid parental leave following the birth or adoption of a child (introduced in 2009);
- Continued superannuation contributions during periods of unpaid parental leave (introduced in 2018); and
- Flexible work arrangements. This includes redesigning roles so they can be performed part-time or as a job share. We are also considering family-centric redesign of rosters to give people more options to integrate life and work.

In parallel, BHP continues to make progress towards its ambition of a gender-balanced workforce by 2025. In 2016, BHP had just 17 per cent female representation. Today, there are an additional 8,000 women working at BHP, representing more than 33 per cent of our total workforce. The Executive Leadership Team has equal representation of men and women, and remains committed to removing barriers to female participation in our company, at every level of our organisation.

4. Regional childcare shortages

BHP's regional personnel, along with local community leaders, continue to identify childcare shortages as a key concern and a barrier to workforce participation.

Their anecdotal evidence is backed by research undertaken by BHP and other partners.

a. Queensland

An assessment commissioned by BHP Mitsubishi Alliance (BMA) in 2021 identified a significant shortage of childcare places across central Queensland, including in Moranbah, Dysart, Blackwater and Emerald.

The study estimated 822 daycare places were required in these communities in 2021 – significantly more than the 605 approved places that existed at the time of writing. Of the estimated 508 outside school hours care (OSHC) places required, only 306 existed.

Compounding the problem, the study found many childcare services were operating below their licensed capacity due to staff shortages. In Moranbah, for example:

- two centres offered a total of 182 long daycare places but due to staff shortages neither operated at capacity;
- There were two OSHC providers offering a total of 110 places. One of these was approved for 60 places but was only able to offer 30 due to staff shortages; and
- There was only one registered family day care educator, with a long wait list.

The shortages have worsened since these findings were made:

- There were an estimated 300 children on childcare waitlists in Moranbah and Dysart in early 2023.
- Data collected in 2023 by Astute Early Years Specialists show that across the six childcare centres within Moranbah and Dysart there are approximately 50 educator vacancies.

b. Western Australia

In the Pilbara, data collected in 2021 and 2022 confirmed waitlists of approximately 200 children in Newman and 600 in Port Hedland, with the wait for a childcare place averaging between six months and two years.

In addition, centres operating in these regions have had to cap numbers due to an inability to meet legislated educator-to-child ratios. BHP is aware of some centres in the Pilbara that operated at less than 50 per cent capacity for several years due to staff shortages.

c. South Australia

In Roxby Downs, near BHP's Olympic Dam asset, childcare places are not keeping up with demand. As at December 2022 the Town's only operating childcare centre held a waiting list of 132 families. Anecdotally, we understand childcare shortages are influencing family decisions on whether to stay or relocate to Roxby Downs.

Measures taken to address shortages

Working in partnership with childcare experts and community leaders, BHP is funding a range of projects to increase the availability of childcare in regional areas where we operate.

a. Queensland

In Queensland, BMA is funding the **Childcare Leadership Alliance (CLA)**, which will work in partnership with stakeholders across Moranbah and Dysart to drive strategic sector-wide support and leadership on regional childcare issues. The CLA will work with the Isaac Regional Council, mining companies, childcare service providers, families and community groups to design solutions for the sector, including around the recruitment, retention and professional development of childcare workers. Options for family daycare, OSHC and casual childcare will also be considered alongside traditional long daycare services. The CLA was launched in April 2023.

BMA is also separately progressing a *Family Day Care pilot initiative*, which aims to convert existing BMA housing stock into family day care properties for the benefit of BHP employees. BMA has contracted Family Day Care Australia to support the establishment of the pilot program, initially targeting Dysart and Moranbah. Prospective family daycare operators are currently completing their qualification requirements with funding and facilitation provided by BMA. Additional work relating to housing and logistical requirements is progressing in parallel.

b. Western Australia

In the Pilbara, BHP has partnered with Child Australia since June 2020 to develop the *Thriving Futures* program, which focuses on stabilising, attracting and retaining a quality childcare workforce in Port Hedland and Newman.

The partnership has expanded to include:

- the **Thriving Futures Academy**, which offers fast-tracked career pathways to the ECEC sector; and
- The **Educator Recognition Program**, a \$2.5 million commitment from BHP over three years to support wage subsidies, professional development, scholarship opportunities and mentoring for childcare workers.

With a strong initial focus on reducing workforce turnover, *Thriving Futures* has so far achieved an average 76 per cent retention rate of staff in participating Newman and Port Hedland centres, enabling some of these centres to operate to full capacity. In addition, *Thriving Futures* has so far supported:

- 68 educators with wage subsidies under the Educator Recognition Program;
- 34 educators with scholarships to undertake Certificate III or Diploma-level qualifications; and
- 46 new-to-industry participants to undertake introductory learning and work experience via the Thriving Futures Academy. These participants are Pilbara locals seeking to take their first steps towards a career in ECEC.

Following a successful pilot in 2020, BHP has also converted seven BHP-owned houses in Newman and Port Hedland to family day care properties for the benefit of BHP employees.

c. South Australia

BHP's partnership with Child Australia has been extended to Roxby Downs to support the recruitment and retention of childcare staff, including through professional development and mentoring. BHP also funds flights and accommodation to enable a fly-in fly-out (FIFO) finance officer to work at the Town's single childcare centre, with the same support, as well as FIFO allowances, provided to FIFO childcare workers to keep the centre operating at a manageable threshold capacity.

In addition, BHP has:

- entered into a partnership with UniHub Spencer Gulf to provide fee-free childcare qualifications and study support to any local residents seeking to undertake a childcare qualification;
- offered financial and housing incentives for individuals seeking to establish family daycare services in Roxby Downs; and
- provided financial assistance to the local childcare centre for renovations which will enable them to increase the number of children in their care.

5. Proposals for consideration

While BHP is committed to progressing the measures outlined above, we recognise they can only contribute part of the solution.

Addressing issues such as low remuneration for educators, a lack of affordable housing (as well as extra costs associated with living in remote communities), and the need for professional development and career advancement opportunities will require a coordinated, collaborative response from a range of stakeholders, including governments.

To date, the national conversation around childcare has often focused on affordability. While this is understandable – and the Federal Government's recent reforms to increase and extend the childcare subsidy are welcome and supported – there is also a need to contemplate and address supply-side reforms. This is particularly true for regional Australia where the attraction and retention of educators is a pressing ECEC priority.

To this end, BHP would welcome the opportunity to share insights and learnings from the placed-based models we are funding in Queensland, Western Australia and South Australia. With their focus on supporting, stabilising and growing the educator workforce – including through mentoring, professional development and wage subsidies – there may be a potential to further leverage or upscale these initiatives in other parts of regional Australia.

In addition, we believe consideration could be given to:

- A high-profile educator attraction campaign for the regions, coordinated by government with support from key regional stakeholders, including major employers;
- Reviewing and simplifying skilled migration levers to attract overseas trained ECEC workers;
- Providing incentives for students obtaining ECEC qualifications to work in regional areas (for example, by offering relief on course fees);
- Encouraging a greater diversity of childcare options in regional areas (for example, family daycare) to accommodate parents working shift work or non-standard hours;
- Investigating the potential for public/private partnerships between Federal and State Governments, and large businesses operating in regional areas, to construct or upgrade compliant childcare facilities. (Noting that infrastructure investments are parallel to the items above to ensure maximum utilisation of the infrastructure).

6. Conclusion

ECEC is important to BHP's workforce and the communities in which we operate. Persistent childcare shortages in the areas in which we operate create challenges for local families and are a barrier to workforce participation, recruitment and retention.

BHP thanks the Productivity Commission for the opportunity to provide comment and suggestions on this important issue. We would welcome the opportunity to discuss our submission further.