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## **SUBMISSION TO THE INQUIRY INTO CHILDCARE AND EARLY CHILDHOOD LEARNING**

Thank you for the opportunity to make a submission to the Productivity Commission's Inquiry into Childcare and Early Childhood Learning.

### **About Billabong Childcare Centre**

Billabong Childcare Centre (hereafter referred to as Billabong) is a not-for-profit, long-day childcare centre operating from a single location in East Victoria Park, Western Australia. Billabong was established in 1985 and is licensed to care for 47 children aged between 0 and 6 years.

Billabong is incorporated as an Association, with each family required to be a member. Billabong's Constitution also requires it to maintain a Parents Committee, which is responsible for providing advice to, and overseeing, the management of Billabong.

### **Regulation of childcare**

Overall, the Managers of Billabong are happy with the system of regulations governing the delivery of childcare in Australia. Management considers that the implementation of the National Quality Framework (NQF) has improved the standard and uniformity of childcare in Australia and that these new standards should be maintained and enhanced upon over time.

However, the new government requirements and regulations commencing in 2014 will have significant implications for Billabong's operations and costs. Billabong estimates that the total additional cost associated with new qualification requirements, full lunch and break coverage, a 3% increase in staff award rates and a 0.25% increase in superannuation will be around \$100,000 in 2014.

In order to cover these costs, Billabong has decided that it will be necessary to: increase daily childcare fees by \$10 from \$77 to \$87 per day from 1 January 2014; and apply the existing policy of requiring fees to be paid two weeks in advance. These measures appear to have been accepted by parents with little concern, reflecting that Billabong remains lower cost than most of its nearby competitors.

To date, Billabong has been able to keep up with the pace of implementation of new staffing ratios and qualification levels under the NQF. In fact, Billabong considers that the adjustments to staffing ratios should go further. Billabong recommends that the ratio of babies (under two years) to carers be changed from 1:4 to 1:3 as it considers this ratio is necessary to maintain an appropriate level of care. Billabong intends to move to a 1:3 ratio for babies sometime in 2014 regardless of regulatory requirements.

## **Affordability of childcare**

The Childcare Benefit and the Childcare Rebate are critical to ensuring that mothers (who are typically primary carers and secondary income earners in their households) experience a financial benefit from engaging in the workforce.

Applying a means-test to the Childcare Rebate would likely result in a significant portion of working mothers reconsidering their participation in the workforce as the financial benefits of working would not justify the amount of time spent away from children and undertaking domestic tasks. This would result in lost productivity for the national economy. It would also further disadvantage women relative to men, as they would take more time away from their careers, resulting in a deterioration of skills, loss of promotion opportunities and a reduction in superannuation benefits at retirement age.

If a means-test is to be applied to the Childcare Rebate, it should be designed carefully to ensure that mothers can still 'afford' to work. This could involve basing any means-test on the income of the primary care-giver only and taking into account the number of children in the family requiring childcare and the cost of that childcare.

## **Availability and accessibility of childcare**

Availability of high-quality childcare and after school care places is a significant issue in some suburbs, with parents often needing to put their children on waitlists before birth in order to secure positions. The idea of co-locating childcare centres with primary schools should be revisited as a means of addressing the availability of childcare places in areas experiencing shortages. Childcare places could be funded based upon the demand projections of State education departments for primary school places. Co-locating childcare centres with schools would also help address the problem of the 'double drop-off', which can add considerable time and stress to a working day for families.

Another potential option for addressing the availability of childcare places would be to further lower the age that compulsory schooling commences. This would result in children entering the school system earlier, freeing up childcare places for younger children. An earlier start to formal education would also recognise how critical the early years are to children's education and development.

The operating hours of childcare centres and schools do not always meet the needs of working families, particularly for those parents working outside normal office hours, such as shift workers and fly-in, fly-out workers. Consideration should be given to deregulating the operating hours of childcare centres to ensure that centres can offer services to families requiring non-standard hours where there is sufficient demand, but while still providing safe-guards to ensure that children are not placed in care for excessive hours.

Consideration should also be given to improving the alignment between office working hours (which remain the norm) and school hours as a means of improving female workforce participation. In particular, the kindergarten hours are not structured in way that makes it accessible for mothers that are working full time (for example,

half days and irregular numbers of days per week). Measures to increase the qualifications of childcare staff will help to address this situation by ensuring that childcare centres have the capacity to offer a formal kindergarten style education.

Kind regards,

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on behalf of the Parents Committee and Management  
Billabong Childcare Centre