



Dr Wendy Craik AM Commissioner  
Childcare Inquiry Productivity Commission  
GPO Box 1428  
CANBERRA CITY ACT 2600

## **Inquiry into Child Care and Early Childhood Learning**

Dear Dr Craik,

[CareforKids.com.au](http://CareforKids.com.au), Australia's most comprehensive child care resource, is pleased to make a submission to the Productivity Commission Inquiry into Child Care and Early Childhood Learning.

Supporting child care is a critical part of Australian, state and local government policy and government research reveals that every \$1 spent on child care drives economic benefits of more than \$8.

Improving access to high quality child care would make it much easier for women to return to work after becoming a parent and the Grattan Institute has shown that increasing women's workforce participation could be worth \$25 billion in economic growth to 2022.

In addition it would ensure Australia benefits from the myriad advantages to be gained from maintaining a highly skilled and diverse workforce with women represented at all levels of business

Clearly policies which improve the accessibility, affordability and quality of early childhood education and care are in the best interests of families and the economy more widely.

## **Increasing Workforce Participation, Particularly For Women**

Results from the [Annual CareforKids.com.au Child Care and Workforce Participation Survey](#) reveal that many families, especially those in NSW and Victoria struggle to find high quality child care when and where they need it.

Improving access to child care would unequivocally boost workforce participation and remove one of the biggest barriers women face when returning to work after becoming a parent.

To achieve this CareforKids.com.au recommends:

### **Facilitating the establishment of new services in identified areas of need**

Currently there is no mechanism in place to ensure delivery of child care in areas of high demand. This could be overcome through changing planning regulations for commercial developments that require a certain percentage of square metres be allocated for the provision of child care."

Local councils should be urged to fast track development applications to build child care services where the developer can clearly demonstrate there is unmet demand. Frivolous objections to such developments should be dealt with quickly.

### **Expanding Employer Provided Child Care**

As we know there are limited funds available for child care from government and parents, however, a third source of funding which is under-utilised in this country comes from employers.

Many employers already understand the benefits of helping employees with child care, some of which include improved staff retention, higher return to work rates, increased productivity and good staff morale and loyalty. Many employers already have policies and programs in place to help employees source and secure child care. However there is massive scope for increased participation by employers.

We recommend the implementation of a simple and cost effective framework that would enable employers to participate in the provision and/or cost contribution of child care services. This could be a valuable new source of funding to assist with the provision of child care services.

Educating more employers about the importance of supporting employees with child care and incentivising them to do so would drive significant improvements to workforce participation.

### **Improving flexibility**

The Fair Work Act provides employees with the right to request to work flexibly but further benefits could be gained from mainstreaming flexibility. Telstra's workplace program which classifies all jobs as flexible means managers must now apply to exempt a position as 'not-flexible'.

Making it easier for organisations to offer this capacity would help working parents more successfully manage their work and family responsibilities.

Flexible models of delivering child care and services which meet the actual working hours of parents would also make it easier for women to return to work. This requires the introduction of a framework which facilitates, encourages and incentivises child care services to expand their operating hours in line with the needs of the families which use them.

### **Improving affordability**

The complexity of claiming the Child Care Rebate and Child Care Benefit mean many families miss out. Simplifying the systems and communication around these important support mechanisms to ensure eligible families receive the benefits they are entitled to would drive quick improvements in workforce participation.

Many families unable to source centre based care rely on nannies, au pairs and babysitters to meet their child care requirements. Formalising this type of care would make it a more viable option for families.

Introducing a Fringe Benefit Tax Exemption for child care provided outside the workplace would also potentially boost women's participation rates.

Countries such as Denmark and France have very high workforce participation rates among women and spend significantly more on directly subsidising the cost of child care for working families than Australia, this in combination with the strong focus on flexible work practices and supporting both men and women to take parental leave facilitate the high return to work rates for working parents.

### **Optimising Children's Learning and Development**

Researchers have shown that a child's early years lay the foundation for all that is to come. The human brain develops the vast majority of its neurons, and is the most receptive to learning between birth and three years. In fact, the intake of new information is critical to the formation of active neural pathways (Shonkoff & Phillips, 2000).

The role of early childhood education and care services in building on this potential is vital and the importance of providing children with nurturing, stimulating and safe early childhood environments cannot be over stated.

To ensure Australian children receive the very best start in life CareforKids.com.au recommends:

### **Maintaining the National Quality Framework**

The higher standards of education and care afforded by the introduction of the NQF are strongly supported by CareforKids.com.au and we believe children will benefit from the rigorous new standards.

The NQF, has, however, driven up costs for families and services and for some family day carers the new ratios, which require one carer per four children rather than five, have made business unviable.

Providing support to help services mitigate these costs would be beneficial and would ensure parents don't financially suffer as a result of policies designed to improve the situation for their children.

### **Staff Shortages**

The new qualifications and ratios requirements introduced under the NQF are widely supported by the sector, however, many services are struggling to find suitable people to fill vacancies.

We believe this is a result of the low wages paid to early childhood educators and the historically low status early childhood educators have had. Recognising and communicating the vital role of early childhood educators and the evolution of their role into a qualified profession would attract more people to the industry.

It is also time to address the ongoing issue of pay and ensure that early childhood educators, charged with such an enormous responsibility receive fair pay for the important work they do.

## **Qualifications and Attracting People to the Sector**

To address the ongoing staff shortages an Early Years Apprenticeship scheme could be introduced to attract and make it more affordable for people to move into the early childhood sector.

Given the high numbers of older people who work in child care and the diversity of the workforce we would urge that on the job experience be recognised as equal to formal qualifications in appropriate cases.

Thank you for your consideration.

Best Regards

Roxanne & Mark Elliott  
Founders  
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