

1. The contribution that access to affordable, high quality child care can make to increased participation in the workforce, particularly for women

There is no doubt that the provision of affordable and high quality early education and child care service allows already skilled-up women to return to the workforce after maternity leave. Women's contribution to the labour force is essential to the nation's economy and general well-being. The availability of (or the lack of) quality and affordable childcare is a major factor for women when making decisions about rejoining the workforce. These days Australian women are highly educated and trained and the lack of childcare options should not have to be a barrier preventing women from returning to work, if they wish to, or need to do so.

2. The current and future need for child care in Australia

In the Randwick Local Government Area (Randwick LGA), demand for long day care services, particularly for children under 2 years old, is high. This is not because there is a lack of childcare centres in Randwick LGA. On the contrary, it has an estimated 49 long day care centres, representing a total of 2,230 licensed places. Out of this, only 16.5 % caters to 0-2 year olds. Therefore the demand for this category of childcare is substantial. Discussions with local childcare centre directors confirmed that there is a dire shortage of places for children 0-2 years old, together with long wait times for children aged 3-5 years. Mothers, who have contacted Council staff on many occasions, and desperate for a place in a childcare centre, said that they have no other options but to delay their return to work. This situation is both unproductive and inconvenient to employers and employees.

The affordability of childcare is also an issue for local residents. The daily fee for long day care centres in Randwick LGA range between \$76 and \$140 per day. Fees exceeding \$100 per day are not affordable (particularly after Sydney housing costs are taken into account) for the average working parent earning a moderate income. This is so even after the childcare rebate is taken into account. It must be said that community based childcare centres typically charge lower daily fees and are typically more affordable than privately owned childcare centres.

In large employment centres such as Randwick LGA, where there are two tertiary institutions (UNSW & Randwick TAFE), and four major hospital complexes, demand for childcare services will continue to be high into the future. The Commonwealth Government's on-going childcare benefit and rebate policy have assisted in childcare centres' operational cashflow. Unfortunately, it has not been successful in encouraging community based and private operators to increase the number of childcare centres to adequately address demand. Increasing the supply of childcare centres to meet demand is not a financially viable solution because of the high land acquisition costs.

3. Options for enhancing the choices available to Australian families

As such, there is a need to introduce more flexible childcare options for parents, and/or set up financial grant or operational subsidies for centres to increase, in particular, the number of places catering to children aged under 2 years old.

Other potential options that the Commission may wish to explore are:

- Expand the current government's childcare benefit and rebate schemes to include home based carers, thus allowing parents to subsidise the cost of hiring nannies or au pairs. The benefits for such home-based care should not exceed the amount that parents are entitled to receive under the current scheme. This could perhaps be offered to parents with children under 2 years old given the dire shortage of childcare services for this age group.
- Provision of a carer's allowance to family members such as grandparents, who are more than capable of caring for their grandchildren, particularly for children under 2 years old. This allowance can perhaps be added to their existing pension payment arrangement.
- To increase supply, co-locate long day care centres within existing school grounds. This involves excising a section of the school ground (where practicable) for lease to community based childcare providers to build and operate such a facility. Parents are likely to benefit from this option. For example, school drop off/pick may be limited to one location e.g. sibling to

primary school and toddler to childcare on school grounds; and schools may benefit from an annual rental income from centre operator. This option will also mean that children from the pre-school room will have a smoother transition to primary school due to its proximity and familiarity of their surroundings.

General Comments

- Randwick City Council fully supports the growth of community based childcare centres because of this sector's ability to provide lower daily fees and good quality early childhood education.
- In order to optimise children's learning, the early childhood learning currently being conducted by childcare centres and pre-schools should be built into the Commonwealth's education and expenditure system. It does not make financial sense to have two educational systems running parallel to each other.
- For a more accurate understanding of the level of demand for centre-based childcare services, it is suggested that the Commission investigate the practicality of implementing a central point where parents can register their requirements for childcare services without the need to approach multiple childcare centres. A single State Government agency should ideally be responsible for coordinating a centralised wait list, grouped into specific geographic areas, e.g. Inner-city, Inner-West, Northern Beaches, and Western Sydney. Information collected from a centralised point will yield accurate and valuable information for operators to better respond to expressed need for childcare places.

Community Consultation with Local Parents and Stakeholder

The Council will be submitting additional information by April 2014 on completion of consultations with local parents and stakeholders. The purpose of this consultation is to give parents an opportunity to formally comment on the Commission's Terms of Reference
