



## Sustainability secures ongoing investment in children

Participation in quality early learning boosts children's development but access to affordable child care is also essential to support parental workforce participation.

### Affordability and its impact on families

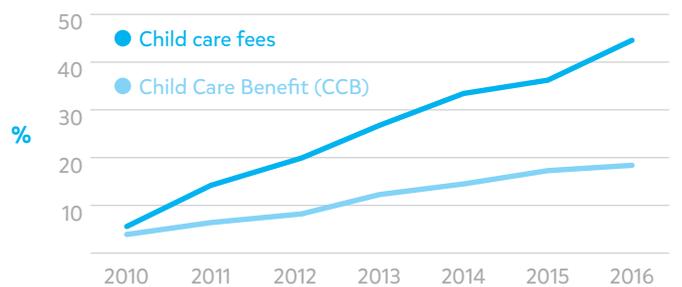
Access to affordable early learning and care ensures parents can be a part of the paid workforce, but it is particularly important for Australia as the maternal employment rate here is well below that of leading OECD countries. The rate has been changing over time, facilitated by the rapid expansion in child care places. In the last decade, maternal workforce participation grew from 64 per cent to 69 per cent, while the number of children aged 0-5 in child care more than doubled.

More recently child care centres have been opening faster than children have been enrolling. In 2015-16, the number of long day

care centres rose by 3.1 per cent while the number of children attending long day care centres rose by 2.6 per cent and vacancies in centres leapt by 13 per cent nationally.<sup>1</sup>

Since June 2009, long day care fees have been rising on average around 6.4 per cent a year, at the same time the wider education sector rose on average 5.3 per cent. Around half of the cost has flowed from important reforms directed by COAG to improve the quality of early learning.

### Increase in Child Care Benefit & Fees since 2010



Source: ??????????????????

The Federal Government child care assistance currently refunds around 60 per cent of the cost of child care to families but has not kept up with the true cost of care as the cap on the childcare rebate was frozen from 2011 to 2017 and the Childcare Care Benefit was indexed to CPI.

(continued)

Government data shows that between 2010 and 2016, low income families using full time childcare saw an increase in the percentage of their income used on care rise from 6.8 per cent to 11.1 per cent<sup>2</sup> (after benefits). The new more generous Child Care Subsidy due to commence in July 2018, will substantially reduce the out of pocket costs for most working families.

## Supporting the Goodstart network, its people and social purpose

From the beginning, Goodstart's Board has focused on achieving financial sustainability to ensure the organisation can continue to improve quality and invest in social inclusion. Today the strength of Goodstart's underlying business continues to build as it invests in improving facilities, engaging with families and communities and placing an even greater focus on offering affordable, quality early learning and care.

Despite growing competition in the sector and continuing pressure on family budgets, in 2015-16 Goodstart was able to allocate more than \$27 million towards capital investment in centres and more than \$13 million on the professional development of its people.

Now on a solid path towards long-term sustainability, the organisation is driving significant surpluses to reinvest in its social inclusion work, in particular the provision of support services for vulnerable and disadvantaged children.

In its first six years of operation, Goodstart has:

- cared for an average of around 70,000 children from 60,000 families each year across more than 640 centres located in all states and territories;
- delivered a small surplus each year, allowing it to
  - pay back all of its establishment debt of \$107.5m years ahead of schedule; and
  - re-invest over \$106m into centre-based capital expenditure, with major upgrades of our centres.
- added 16 new centres to the network (to Feb 2017) with plans to add 10-15 new centres to the network each year;
- invested over \$73 million in professional development, training and support to help improve quality of practice delivered to children;
- established a program to provide enhanced support services and capability in 30 centres in communities facing disadvantages, with a view to

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double the number of centres in the program;

- kept fee increases below the sector average while absorbing significant staff costs to meet the requirements of the National Quality Framework;
- increased occupancy
- reduced staff turnover from 23.8 per cent to 11 per cent.

**We will continue to work to ensure there are strong links between our financial and social purpose objectives.**

## References

1. Department of Education "Early Childhood and Childcare in Summary" June 2016
2. Productivity Commission "Review of Government Services Annual Report" various years

## Our Vision

is for Australia's children to have the best possible start in life.

## Our Purpose

is to ensure children have the learning, development and wellbeing outcomes they need for school and life.



To see how we bring our plan to life, you can view our animation here: <https://vimeo.com/goodstartel/strategic>

**goodstart  
early  
learning**

**Together there's no limit.**