



Select Committee on Work and Care  
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Parliament House  
Canberra ACT 2600

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Dear Committee

### **Goodstart Submission to Select Committee on Work and Care**

Thank you for the opportunity to contribute evidence and insights and make recommendations to support the wellbeing of families combining work and care responsibilities.

Goodstart Early Learning is Australia's largest provider of early learning and care. As a not-for-profit social enterprise, our social purpose is for all Australia's children to have the best start to school and life. We recognise that, to support the child, we must also support their family, particularly those facing additional challenges and barriers.

As we know, carers often face significant barriers to workforce participation, including lack of flexibility, discrimination and burnout. At the Jobs and Skills Summit on 1-2 September 2022, carers generously shared their personal stories about the discrimination and exclusion they faced in their workplaces while trying to balance work and care.

Access to affordable, high quality early childhood education and care is critical to supporting workforce participation for carers. It is also essential that children with disability, developmental delays or other inclusion support needs have their needs met so they can fully participate in and benefit from early learning. Unfortunately, many children and families face complex administrative and structural barriers that impact their ability to fully realise the benefits of early learning and care.

#### **Summary of recommendations** (detail provided in [Attachment A](#)):

1. **Ensure all children and families can access affordable, inclusive, high quality early childhood education and care**, including by:
  - a. Investing in an immediate increase in the after-tax wages of early childhood educators and teachers to support delivery of high quality early learning.
  - b. Immediately repairing the Inclusion Support Program (ISP) to support children with inclusion support needs participating in early learning, which in turn supports their family's workforce participation.
2. **Implement the *Starting Better Guarantee***, which entitles every child to:
  - Three days free or low-cost quality early education from birth until school, with more days available at minimal cost.
  - More paid parental leave, shared between partners.
  - Support for children and parents from within their community, including up to 25 visits from maternal and child health nurses.



We grant permission for this submission to be published and for any part of it to be quoted, with appropriate citations.

If you would like to discuss any aspect of our submission further, please contact Kelly Millar, National Social Policy Manager, at [kmillar@goodstart.org.au](mailto:kmillar@goodstart.org.au).

Kind regards,

A handwritten signature in black ink that reads "K Millar".

Kelly Millar

**National Social Policy Manager**

**We're for children, not for profit.**

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## **ATTACHMENT A: Goodstart submission – recommendations in detail**

### **Recommendation 1: Ensure all children and families can access affordable, inclusive, high quality early childhood education and care.**

The Albanese Government's *Cheaper Childcare Reforms* extends more generous subsidies for children participating in early childhood education and care (ECEC). This will help boost workforce participation for parents and carers – especially women – by lowering the effective tax rates for working more.

We welcome these reforms but they must be complemented by significant investment in the ECEC workforce. The educators who teach and care for children in early learning centres right across the country – the workforce pivotal to lifting our economy – are often parents and carers themselves. If we want carers to be able to access affordable early learning places, we must support our ECEC workforce with improved pay and conditions, starting with an immediate increase in wages through a government-funded subsidy.

### **Recommendation 1 (a): Invest in an immediate increase in the after-tax wages of early childhood educators and teachers to support delivery of high quality early learning.**

The best way of finding the 10,000 additional educators needed to deliver the extra places for parents responding to the Cheaper Childcare reform is to slow the record levels of attrition from the sector. Educator attrition rates at Goodstart have increased 4% in the last year, with better pay being cited as a key reason for leaving.

Educators and teachers enjoy substantially better wages and conditions in publicly funded Government schools than in the ECEC sector. The Prime Minister has acknowledged that educators wages need to be addressed. This needs to happen before the 2023 CCS reforms.

We would propose that wage supplements set at 5-10% of wages should be paid to all teachers and educators in long day care centre, to commence as soon as possible to secure the workforce ahead of next year's reforms. The Commonwealth should seek an assurance from the States that these supplements would be exempt from payroll tax, which would simplify administration considerably. Providers should be required to pay the supplements into staff as wages or improved conditions.

### **Rec 1 (b): Immediately repair the Inclusion Support Program (ISP) to support children with inclusion support needs participating in early learning, which in turn supports their family's workforce participation.**

In a market-based delivery model with many for-profit providers, there are multiple disincentives for providers to enrol children with higher support needs, largely arising from the higher cost of service delivery. One of the key ways the Australian Government supports inclusion of all children in early learning is through the Inclusion Support Program (ISP), which forms part of the Child Care Subsidy Safety Net. The ISP is intended to support children with disability, developmental delay or other inclusion support need to fully participate in early learning, which also supports their parent's or carer's workforce participation.

Unfortunately, the ISP is not meeting its core objectives and, as a result, children and families are not being supported in the way they deserve and, in some services, children are being refused enrolment because the service cannot provide adequate support while waiting for (insufficient) funding to be approved.

Improving the ISP is one of the most effective changes that could be made to support families balancing work and care responsibilities.



We recommend the following changes be made immediately to the ISP:

1. Increase educator wage subsidy to align with current award and index annually;
2. Match educator funded hours to the child's enrolled hours, so families have confidence their child receives the support they need while they are working and studying; and
3. Implement an Access and Continuity Guarantee to ensure children have timely access to much-needed funding and support upon enrolment and during transition periods.

An important component of the ISP is therefore funding to cover the wages of an additional educator, so that children with a disability, developmental delay, trauma-related behaviour, or other inclusion support needs can fully participate in early learning. This is intended to address the cost disincentives for enrolling children with higher support needs and supports both the child's early learning needs and parental workforce participation.

However, the funding provided for an additional educator is capped at 25hrs a week, which generally does not align to the family's CCS activity test result or to the child's enrolled hours. As a result, a child's inclusion support needs often cannot be met for all of the hours they attend. Even in a shared care arrangement (where two or more children can be supported by a single additional worker), funding is only provided for up to 40 hours per week.<sup>1</sup> This limits the workforce participation of parents of children with an inclusion support need, who we know have lower workforce participation than other parents and will frequently report having their hours cut by ECEC providers to match the 25hrs that an additional educator is funded. In terms of child development and safety, it is also counter-intuitive with evidence showing these children are more prone to injury and may benefit from more hours of early education.

Immediate action is also required to address the loss in the value of the ISP educator wage subsidy value over time. Since 2016, no indexation has been applied to the hourly rate for the wages subsidy, even though award wages for early childhood educators have increased 3.25% per annum (on average) during the same period. This means the subsidy continues to lose value as wages increase, and no longer covers even the lowest possible qualification level (Cert III) further disincentivising some providers to enrol children with inclusion support needs, as they won't be able to adequately support them.

Children and services constantly experience lengthy delays – and gaps – in funding and support during enrolments and periods of transition. These delays can impact on individual children, their families, their peers and their educators for months at a time. To prevent these ongoing delays, we recommend the implementation of an Access and Continuity Guarantee, which would allow provider-initiated funding periods (up to 12 weeks) when a funding and support application has been initiated or while funding is being reassessed.

**Recommendation 2: Implement the *Starting Better* Guarantee.**

Goodstart supports and recommends the adoption and implementation of the Centre for Policy Development's *Starting Better: A Guarantee for young children and families*.

*Starting Better* proposes a national guarantee for young children and families as a new pillar of Australia's social deal that would transform families' experiences of combining work and care in the early years of a child's life. The guarantee entitles every child in Australia and their family to:

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<sup>1</sup> Shared care arrangements are also not available or appropriate for every child with inclusion support needs.



- Three days free or low-cost quality early education from birth until school, with more days available at minimal cost. This begins as soon as families need it.
  - An entitlement to three days a week — up to 30 hours — would ease cost pressure on families, reduce confusion about how the system works and lift participation in the labour market by parents who would like to work but whose available hours are currently limited due to caring responsibilities.
  - This means all children will experience the lifelong benefits of quality early education.
- More paid parental leave (PPL), shared between partners. This will give babies time with their parents in the crucial first year of life, and it will give families the confidence to balance work and home more easily and equally.
  - Starting Better proposes up to 12 months of PPL for families, with incentives for leave to be shared between partners. This is based on evidence around maximising child and parent wellbeing, workforce participation, and the benefits of shared care.
- Support for children and parents from within their community, including up to 25 visits from maternal and child health (MCH) nurses.
  - Universal MCH services reach parents at the start of their journey and can play a critical role in trust building for the whole early childhood development system. Effective universal services like MCH can identify and address needs before they become problems later in life.