

IN THE FAIR WORK COMMISSION

Matter No.: AM2018/18 and AM2018/20

Re Application by: Australian Childcare Alliance Inc. & Ors

4 Yearly Review of Modern Awards (commenced under s.156 - *Fair Work Act 2009* (Cth))

STATEMENT OF ALEXANDRA HANDS

I, Alexandra Hands, of [REDACTED] in the State of South Australia swear on oath as follows:

Background

1. I am a company director of the following proprietary limited companies that hold the approved provider certificate for two long day care centres in Adelaide:
 - (a) Windybanks Pty Ltd trading as Unley Early Learning Centre (Unley Centre); and
 - (b) CBF Childcare Pty Ltd trading as Daws Road Early Learning Centre (**Daws Road Centre**),(collectively, the **Centres**).
2. My husband and sister-in-law are also company directors of Windybanks Pty Ltd and CBF Childcare Pty Ltd.
3. I hold an Advanced Certificate in Child Care and I have worked in the child care Industry for 45 years apart for a few years off when I had my own children.
4. In 1996, I opened my first child care centre Windybanks child care centre, which I sold in 2004.
5. In 2006, I rented and renovated premises to operate Unley Centre. In 2013, we built the Daws Road Centre.
6. I have held numerous roles in the early childhood education and care sector including being a director of childcare centres and a manager of a medium service provider where I had to

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oversee the centre operations of 5 centres, the highest capacity centre was licensed for 120 children.

Australian Childcare Alliance - South Australia

7. I am on the Executive Committee of the Australian Childcare Alliance - South Australia (**ACA - SA**).
8. ACA - SA aims to promote quality care and support South Australian childcare businesses in terms of information, training and networking.

The Centres

Unley Early Learning Centre

9. The Unley Centre is a long day care centre as it operates 52 weeks per year. This centre is licensed for 55 children and is located very close to the Adelaide CBD.
10. The number of children a centre is licensed to provide for is given by the South Australian Education Standards Board.
11. The hours of operation of the Unley Centre are 7.00 am until 6.30 pm.
12. The Unley Centre has three rooms of children every day. We separate the rooms by the age of the children as follows:
 - (a) the kindergarten room (3.5 - 5 years);
 - (b) the pre-kindergarten room (22 month olds - 3.5 years); and
 - (c) the babies' room (0 - 22 months).
13. The Unley Centre has 16 employees, including three Early Childhood Teachers (**ECTs**).
14. We employ a director under the Children's Services Award (**Employed Director**) in addition to an assistant director who is also appointed as an educational leader. There are five diploma trained educators, three ECT's and the remainder are Certificate III qualified employees.

Daws Road Early Learning Centre

15. The hours of operation at the Daws Road Centre are 6.30am until 6.30pm. It is located approximately 30 minutes from the Adelaide CBD.

16. The Daws Road Centre is licensed for 60 children. We separate the children into rooms (according to their age) each day as follows:
- (a) kindergarten children (3.5 - 5 years);
 - (b) pre- kindergarten children from (2 - 3.5 years);
 - (c) toddlers (20 months - 2 years); and
- babies (0 to 20 months).
17. The Daws Road Centre has 20 staff in total, including two ECT's who are both full-time. Of the two ECT's one has been appointed the Employed Director under the Children's Services Award and another has been appointed the educational leader.
18. There are 11 Diploma trained employees (educators) working at this centre and the remainder of the educators are Certificate III qualified employees.

Types of Employees

19. The types of employees I engage at the centres are as follows:

	Full - Time	Part - Time	Casual
Unley Centre	8	6	2
Daws Road Centre	4	14	2

20. I choose to employ mostly permanent employees to help maintain educator-child ratios at the Centres and provide continuity of care to the children.
21. I do need some casuals on the payroll to give the Centres flexibility when rosters have to change last minute or other circumstances where we need to maintain ratios.

Wages

22. Wages (including payroll tax), represent the largest component of our costs at around 65-70% of our revenue. Wages represent the largest component of our costs.
23. I pay most staff the rates set out in the *Children's Services Award 2010* (**Children's Services Award**) and the *Educational Services (Teachers) Award 2010* (**Teachers Award**)(together the **Awards**). I do have to pay some staff above the Award rates to retain committed and long - serving staff. I have a lot of long term employees, however there seems to be an increase of other centres offering above award wages and in some situations we have had to increase wages to keep staff.

Operating costs

24. Apart from wages, the approximate operating costs of doing business include expenditure on the following items:
- (a) rent for the premises the Unley Centre - representing about 7% of our costs at approximately \$10,000 per month;
 - (b) mortgage repayments for the building the Daws Road Centre is in, which we own - this constitutes 7% of our operating costs, and is approximately \$10,000 per month;
 - (c) consumables like food, nappies, art supplies and other equipment - which is about 7-8% of our costs;
 - (d) insurance costs of between \$8,500 (Unley Centre) and \$15,000 (Daws Road Centre) per annum;
 - (e) electricity costs (which is higher in South Australia than in other states) - which come to about \$4,500 per quarter and equates to about \$1,500 a month; and
 - (f) maintenance costs like those for our after-hours cleaners \$2, 500 per month.
25. Small stand alone services are very sensitive to wage and operating cost increases as we do not have other resources to supplement the business and all increases are generally passed on to families who often cannot afford to pay anymore for childcare and are struggling in today's economy.

Hours of Operation

26. As stated above, the Unley Centre operates from 7am to 6.30pm while Daws Road Centre is open from 6.30am - 6.30pm.
27. The reason the Unley Centre does not open until 7am is because it is quite close to the city so we didn't have a need for a 6.30am start as parents generally drop their children off before work and parents were not dropping their children off at the centre until 7am or 7.30am.
28. By contrast, the Daws Road Centre is around 30 minutes from the city and is close to one of our main hospitals and we have nurses who start at 7am so they require the earlier opening time so they can drop their children off before they commence their shift.

Modern Award Requirements

29. I am familiar with the terms of the Awards. I understand that we cannot roster employees to work outside the hours of 6am and 6.30pm without the payment of overtime.

Extending ordinary hours

30. I have read and understand the ACA claim for extending ordinary hours from 6:30pm to 7:30pm.
31. If we were able to open later without the added costs of overtime we would be able to offer more flexibility to the parents without unreasonable increases in the daily fee they pay to put their children into care.
32. The ability to roster employees on for ordinary hours until 7:30pm per day would also enable my Centres to provide higher quality care in accordance with all of the legislative requirements that a centre must comply with including ratio requirements, staff arrangements and continuity of care for children.

Late pick-up

33. Parents at the Centres often need to work longer hours, have meetings or run late from time to time and need care past our closing time (6:30pm) which means staff need to frequently stay back until 7pm.
34. I have noticed the demand from parents for a later service increasing as in the past year, I have had children being picked up late every week. In the past year I would say parents are late 1-2 days of the week on average for between 15 minutes to 30 minutes each time. It is often different families each late pick up and parents give a variety of reasons with work commitments being the most common excuse, as well as traffic and roadworks being common as well.
35. I have considered staying open a bit later, however if I have to pay overtime to at least 2 staff members, and the Centres could not afford to pay overtime on a regular basis without increasing our fees for families which would make the service unaffordable for parents. It is difficult to balance the needs of our families, the rules of the Award and running a business.

Charging parents

36. As a deterrent for parents arriving late and to re-coup some of our wages (overtime) costs after 6:30pm we charge parents a late fee of \$15.00 for every 15 minutes that they are late past 6:30pm.
37. Even though parents pay a daily fee (eg; \$114 per day for children under 3 years, or \$104 for children over 3 years of age) this only applies for the hours of care provided within 6am - 6.30pm. If we don't charge a late fee to parents we would not receive anything from the parents to offset the cost of wages after 6:30pm.
38. Charging a late fee to parents is usually unsuccessful. We often ask parents for it and usually ends up in a debate about the circumstances that the parents feel was unavoidable and they shouldn't be penalised. Often the debate about the late fee starts to cost us more (in terms of administrative time and debt collecting) so we write it off more often than not.
39. When we do charge the parents, it doesn't actually cover the overtime payments that we need to make for having two staff stay back until the child is picked up. For example, the cost of having 2 diploma qualified staff closing a centre is:
- **Overtime rate payable:** \$40.12 per hour x 2 = \$80.24 per hour (not including extra electricity costs etc)
 - **Late fee charged to parents:** \$60 per hour

Working Parents

40. Closing at 7:30pm would relieve some of the stress placed on working parents by allowing them to work a little bit later and avoid the worst of peak hour traffic in coming and picking up their children.
41. Parents at my Centres are already under pressure meeting the cost of childcare and the high cost of living. I am finding a lot more parents are struggling to pay their fees due to the high cost of living. I am often chasing fees from parents, and on the rare occasion parents do not pay at all and jump from centre to centre to avoid paying fees.
42. I have also seen an increase in both parents working over the years as the cost of living increases because they have trouble paying off a mortgage (or getting a loan at all) with only one parent working.
43. When parents arrive late it negatively impacts our staff because they cannot leave the premises due to staffing/child ratio requirements, and to ensure the safety of the children, until the parents pick up their child. If we closed at 7:30pm parents would have additional

time to finish off their work and/or travel to the Centres before overtime and late fees started.

44. This change would benefit our staff because they would know their finishing time with a greater degree of certainty they would be more able to plan their lives outside of work. My employees have expressed frustration to me (usually on the phone) about not knowing whether parents are going to turn up late. My employees would still be rostered for 8 hours per day, and receive overtime rates if they worked beyond 8 hours but the employees on the closing shift would just start slightly later so that the 8 hour shift finished at 7:30pm or 7pm.
45. As a service provider, we are supposed to be providing childcare to parents whose workplaces are 'flexible'. However, our workplaces (child care centres) are not able to be flexible at all. This feels very contradictory. With such strict closing times to be compliant with the Awards, we are not able to help families (or workplaces) that are trying to be flexible in times for collection of their children.
46. I believe that the ability to roster employees to work ordinary hours up until 7.30pm would greatly assist our families. Everything is about flexibility in the workforce these days but sadly parents don't have this flexibility in collection of their children, which is needed. Allowing them the extra time would relieve a little bit of pressure on working families in terms of both cost and time.

Ratios

National Law

47. The early childhood education and care sector in Australia is regulated by the National Quality Framework (**NQF**) including the *Education and Care Services National Law Act 2010* (**National Law**) and *Education and Care Services National Regulations 2011* (**National Regulations**).
48. Almost everything we do across the operations is governed by the National Law. At a general level this includes:
- (a) how many staff we are required to have;
 - (b) how many children are allowed to attend our centres; and
 - (c) the qualifications that are required to be held by our educators.

49. The NQF also has obligations in respect to:
- (a) our teaching practices;
 - (b) how we plan our curriculum for the children; and
 - (c) outcomes for the children to enhance play-based learning.
50. The National Quality Standard (**NQS**) which forms part of the NQF, is comprised of 7 quality areas including:
- (a) Quality Area 1 - Educational program and practice;
 - (b) Quality Area 2 - Children's health and safety;
 - (c) Quality Area 3 - Physical environment;
 - (d) **Quality Area 4 - Staffing arrangements;**
 - (e) Quality Area 5 - Relationships with children;
 - (f) Quality Area 6 - Collaborative partnerships with families and communities; and
 - (g) Quality Area 7 - Leadership and service management.
51. Quality Area 4 is the key area that we must comply with in relation to staffing. Quality Area 4 requires us to carefully plan our roster to ensure continuity of care, provide familiar staff to the children, a sense of security and predictable routines.

Educator - Child Ratios

52. The ratios required by the National Regulations in South Australia are as follows:

Age of children	Educator to child ratio (SA)
Birth to 24 months	1:4
Over 24 months and less than 36 months	1:5
Over 36 months up to 5 yrs	1:10

53. The Educator to Child ratios above encompass the work of ECT's and educators who work in the Centres.

Qualification Requirements

50% Diploma Qualification

54. In addition to the ratio requirements we are also required to comply with the National Regulation that mandates that:
- (a) no less than 50% of educators employed in a centre-based service who are employed to meet the ratio requirements must have, or be actively working towards, at least an approved diploma level education and care qualification; and
 - (b) all other educators who are required to meet the relevant educator to child ratios for the service must have, or be actively working towards, at least an approved certificate III level education and care qualification.
55. The base qualification for an educator working in early childhood sector is a Certificate III in Education and Care Services. The minimum time period for the completion of the certificate III is one year however, employees are permitted to work while they complete their qualification.
56. The next level of educator qualification for many early childhood workers is to obtain a Diploma in Education and Care.

Teacher - Child Ratios

57. The number of ECT's per centre requirement depends on the number of children in attendance According to the current ratio requirements, we are required to have one ECT. Next year (2020) we will be required to have two ECT's who have completed a Bachelor of Early childhood Education and who hold an Approval from the Teachers Registration Board.
58. Next year, Daws Road will be required to employ a second ECT to meet the new ratio requirements.

Approved Provider's Responsibilities

59. I am responsible for ensuring that the service complies with its requirements in relation to staffing arrangements. To do this I work with Employed Directors to ensure that the necessary ratios are met by preparing compliant rosters.

60. I am ultimately responsible for ensuring that the Centres meet their obligations in relation to the NQS. Failing to meet standards in the NQS could result in:
- (a) compliance notices being issued;
 - (b) fines being issued for a breach of regulation; or
 - (c) a centre or a service being closed down.
61. The Quality Areas provide an indication of the standards that we need to achieve, but do not actually prescribe how that is done. So it is up to the childcare centre itself to actually determine and plan how to meet that quality standard.

Rostering

62. Rostering is one of the most difficult aspects of running the Centres because we have strict ratios we must comply with and our roster is ever changing due to parent demands and staff needs.
63. The number of children (and therefore staff) attending the Centres can vary depending on which day of the week it is. For example, we have a few vacancies on Mondays and Fridays, but Tuesdays to Thursdays we are entirely full and have children on waiting lists for places. On the days when we have more children in the rooms, we have more staff working to make sure we are compliant with ratios.
64. When children do not attend due to illness or family situations, we still charge a normal attendance fee as our budget has been planned on the occupancy rate and the loss of fees due to unexpected absences can impact significantly upon the centres operation.
65. This situation is unfortunate but the reality is the budget is worked out over the course of a 12 month period on the assumption that children will show up on the day that the parents have booked them in. If they child doesn't show up, or gives very late notice they will not be attending that day, we cannot fill the booking and therefore the centre loses out so we have to charge parents in those circumstances.
66. These systems and processes help the Centres to cover the cost of wages by keeping the enrolments and attendances as consistent as possible.

Preparing and Planning a Roster

67. There is a lot to consider when rostering with variables such as employee sickness, leave, and personal appointments of our staff. However, our top priority always has to be providing continuity of care to the children with our rostering.

68. When rostering we also need to take into account matters such as:
- (a) children's estimated arrival and departure times;
 - (b) ratios and ages of children;
 - (c) continuity of care for the children; and
 - (d) employee requests.
69. We usually issue the roster at least 7 days in advance, but sometimes due to late changes the roster may change only a couple of days prior to the week commencing. The roster gets released for a range of reasons, and often employees then ask to swap shifts with one another.
70. We also try to 'overstaff' our centres to ensure we can cater for emergencies and last minute changes. But we often don't get 7 days notice from our parents or staff (about a change) so it is difficult for us to give staff 7 days notice of a roster change. In these circumstances we get the consent of the part-time employees to make a change. For example, we would call a part-time employee and ask them if they consent to changing shifts when an employee calls in sick on the morning of their rostered shift or a parent may make a late booking which could change the ratios for that day.
71. Our employees who work part - time usually willingly work an extra shift or swap shifts with other part-timers.
72. The biggest difficulty arises when multiple people call in sick on the same day (eg; gastro or flu season). In these cases we cannot swap shifts between part-time staff and we have a pool of relief staff (incl casuals) that we would contact. We can also move myself or one of the Employed Directors onto the floor to work with children. We could call for agency staff but we may be in breach of our ratio obligations (eg; not enough educators-children) while we wait for agency staff to arrive and they are very expensive.

Opening and Closing a Centre

73. We rotate the closing shift so the same people don't always have close the centre, especially given they run the risk of being kept past their finish time if a parent is late.
74. We also have to make sure that when we roster our opening and closing staff that we do so in compliance with relevant rules, including ensuring there is a certified supervisor in charge and a first aid qualified person must be on - site at all times.

75. Ultimately, we can't control when the Centres actually close on a daily basis due to it being dependant on parent arrivals.

7 Day Requirement Doesn't Work for Childcare

76. I am aware and understand the ACA claim to amend the Awards to not require 7 days notice of a roster in situations where:
- (a) another employee has provided less than seven days notice of his/her inability to perform a rostered shift; and
 - (b) a centre needs to comply with its ratio requirements.
77. The reality is that parents often change their care arrangements at very short notice due to their own family responsibilities, and our staff have families responsibilities that can arise with a few hours notice or none at all.
78. We need flexibility in our rostering so we can provide the best support we possibly can to our parents, the children, our staff and the broader community.



Alexandra Hands

12 March 2019