

# Early Childhood and Youth

## Group Summary

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| 1 | Group Summary | SB24-000226 |
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## Hot Topic Briefs

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| 2 | 2024-25 Budget Measure: CCS Reforms Further Measures for Strong and Sustainable Foundations | SB24-000185 |
| 3 | Child Care Affordability  | SB24-000186 |
| 4 | Child Safety  | SB24-000187 |
| 5 | Early Childhood Education and Care Workforce  | SB24-000188 |
| 6 | Inclusion Support Program   | SB24-000189 |
| 7 | Regional Access   | SB24-000190 |

## Early Childhood and Youth 2024–25 Budget Estimates

### Response/Facts

#### SB24-000185 – 2024-25 Budget Measure: CCS Reforms Further Measures for Strong and Sustainable Foundations

- This measure will achieve net savings of **\$410.7 million** over 4 years from 2024–25 through additional activities to strengthen the payment and accuracy of the Child Care Subsidy (CCS) program. It will also invest **\$30.0 million** over 2 years from 2024–25 in IT and payment services to deliver on its commitment to provide funding towards a wage increase for the Early Childhood Education and Care sector. This will support a response to Fair Work Commission processes as they relate to this sector.
- Additional resources will be directed to a range of activities, including:
  - Bolstering education, audit and compliance activities.
  - Mandating direct collection of gap fees by Family Day Care (FDC) and In Home Care (IHC) providers from 1 July 2025.
  - Work with the Australian Taxation Office to ensure satisfactory engagement with the tax system as part of the fitness and propriety requirements of existing and new child care providers.
  - Establishing IT and payment systems to enable the delivery of funding to support a wage increase for the ECEC sector.
- The Government is still finalising the details of its investment, including ensuring the funding policy considers relevant Fair Work Commission processes such as the 2023–24 Annual Wage Review

#### ***Family Day Care and In Home Care Providers – Centralised Collection of Gap Fees (from 1 July 2025)***

- Legislation will be required to implement this measure from 1 July 2025 and is expected to be introduced in late 2024. The measure includes practical hands-on transition supports to help providers move to a centralised collection of gap fees (collection by the provider rather than outsourcing collection to educators). The department will work closely with the sector on the design and rollout of these supports and the measure provides a long lead up time.
- The change is an important step towards strengthening the governance and accountability in the FDC and IHC sector, so Government and families can fully realise the benefits of these care types including in regional Australia where they can be an effective way to create additional supply.

#### ***Fit and Proper Requirements from 1 April 2025***

- From 1 April 2025, providers applying for CCS approval will need to provide a satisfactory statement of tax record (STR). Some existing providers may also be asked to show an STR.
- To maintain CCS approval, providers must be considered fit and proper to handle public money.
- The fit and proper test is an existing and long-standing requirement for ongoing CCS approval.

#### ***Previous Integrity Packages in October 2022 and May 2023 Budgets***

- The CCS integrity measures announced in the October 2022–23 and May 2023–24 Budgets will deliver combined net savings of **\$368.9 million** over 5 years from 2022–23 to 2026–27 with costs of **\$79.4 million**. These measures are exceeding targets to date. As of 15 January 2024, the department has achieved **\$161 million** in savings, exceeding the **\$90 million** target to date.

## Early Childhood and Youth 2024–25 Budget Estimates

### SB24-000186 - Child Care Affordability

- The total estimated expenditure on CCS (including Additional Child Care Subsidy) for the December quarter 2023 was **\$3.54 billion**. **\$13.9 billion** is expected to be spent on CCS in the 2023–24 financial year (expense as at Budget 2024–25).

#### **Impact of CCS Changes on the Consumer Price Index (CPI)**

- The **child care CPI increased by 3.9% in the March quarter 2024**. Over the year to March quarter 2024 **child care CPI decreased by 5.6%**. All groups CPI **increased by 1.0%** in the March quarter 2024. Over the year to the March quarter 2024, all groups CPI increased by 3.6%.

#### **Out-of-Pocket Costs**

- After introduction of the Cheaper Child Care measures **average out-of-pocket costs are at their lowest since the introduction of the Child Care Subsidy (CCS) in 2018**.
- The average out-of-pocket cost in December quarter 2023 was **\$3.59 per hour for all care types** (excl In Home Care).
  - An improvement from **\$4.22** in the June quarter 2023 – last quarter prior to the Cheaper Child Care measures.
  - This is lower than **\$3.66** in December quarter 2018, the lowest out-of-pocket cost after the introduction of CCS.

#### **Australian Competition and Consumer Commission (ACCC) Inquiry**

- The ACCC has investigated the drivers of ECEC costs and the impact of these costs on child care provider viability, quality and profits. The ACCC's final report was published on 29 January 2024 and presented 8 recommendations and 31 findings. These will be considered in the context of the Productivity Commission's (PC) comprehensive inquiry into Australia's ECEC system.

### SB24-000187 - Child Safety

- The National Quality Framework (NQF) provides a comprehensive national regulatory system to ensure the safety, health and wellbeing of all children attending an approved ECEC service. The NQF supports ECEC services in meeting their obligations to provide a child safe environment and minimise the risk of harm and hazard to children. At 1 April 2024, there were 17,651 approved services regulated under the NQF across Australia, including centre-based day care, family day care, outside school hours care and preschool.

#### **Review of Child Safety Arrangements Under the NQF**

- The Australian's Children's Education and Care Quality Authority (ACECQA) was commissioned to undertake a Review of Child Safety Arrangements under the NQF (the Review). The Final Report was [published on ACECQA's website](#) on 21 December 2023 and includes 16 recommendations about physical and online safety; child supervision, and staffing requirements.
- The Review found:
  - The NQF is an internationally recognised framework that provides a robust regulatory scheme for ensuring the safety, health and wellbeing of children.
  - Australia has a very good system of ECEC and more can be done to ensure the NQF remains contemporary and fit-for-purpose in the context of child safety.
  - Recommendations from the Review for priority action include reducing notification reporting timeframes for allegations of physical or sexual abuse, options to restrict the use of personal devices that take images or videos of children and making services free from e-cigarettes/vaping.
  - On 26 April 2024, Education Ministers agreed to:
    - commence targeted consultation on a draft National Model Code and Guidelines on the use of electronic devices in ECEC services (*Recommendations 2.3 and 2.4*)
    - initial work proposed by the Australian Institute for Teaching Standards and Leadership to progress changes to the Australian Professional Standards for Teachers to better recognise and support registration arrangements for early childhood teachers operating in non-school settings (*Recommendation 8*).

# Early Childhood and Youth 2024–25 Budget Estimates

## SB24-000188 - Early Childhood Education and Care Workforce

- The ECEC sector faces challenges in attracting and retaining the qualified workforce it requires.
- The PC interim report and the ACCC inquiry final report both note that addressing workforce issues will be fundamental to enabling future reforms. The PC recommends governments prioritise the workforce attraction, retention and professional recognition challenges facing the sector.
  - As of February 2024<sup>1</sup>, there were **245,000** educators, early childhood teachers (ECTs) and centre managers employed in the workforce, an increase of **14,700 (+6.4%)** from February 2023.
  - In May 2023, Jobs and Skills Australia (JSA) projected the ECEC workforce would grow by **16,100 (6.7%)** between May 2023 and May 2028, and by **40,200 (16.7%)** between May 2023 and May 2033 based on projections produced by Victoria University.
- In **April 2024<sup>2</sup>**, there were **6,853 ECEC job vacancies** (three-month moving average). The yearly comparison indicates a **2.61% decrease** from **April 2023**.
  - This includes 4,313 job advertisements for early childhood educators, 2,192 job advertisements for ECTs, and 346 job advertisements for centre managers.

### 2024–25 Budget Commitment – ECEC Wages

- The 2024–25 Budget includes \$30.0 million over 2 years to enable the Government to deliver on its commitment to provide funding towards a wage increase for the ECEC workforce.

### Supported Bargaining

- While the Commonwealth is not a bargaining party, the Commonwealth has attended numerous ECEC supported bargaining conferences at the request of parties and will continue to support the process as appropriate. Supported bargaining participants cover a relatively broad section of the centre-based day care sector, including private for-profit providers and community-managed not-for-profit providers.
- At the 23 February 2024 conference the Commonwealth's agreed minimum position was conveyed – that it is willing to fund a retention payment for ECEC educators and funding will be subject to conditions.

### National Workforce Strategy

- The Government is working in partnership with stakeholders to implement Shaping Our Future, the co-designed National Children's Education and Care Workforce Strategy (the Strategy) to support recruitment and retention of the ECEC workforce. The Strategy, published on 13 October 2021, documents and builds on the significant investment by all governments and the sector to date. Implementation is a collective responsibility between governments, the ECEC sector and key stakeholders. No single government or stakeholder group can be responsible for its success.
- An implementation tracker for Strategy actions and complementary initiatives was published on the ACECQA website in July 2023, the dashboard will be refreshed July 2024.

### Recent Wage Increases and Award Reviews

- Most ECEC workers are covered by 2 Modern Awards which establish minimum wages/conditions for:
  - Child educators – covered by the Children's Services Award (2010)<sup>3</sup>
  - Early Childhood Teachers – covered by the Educational Services (Teachers) Award (2020)<sup>4</sup>.
- The Annual Wage Review for 2022–23 delivered a 5.75% increase to these awards from 1 July 2023<sup>5</sup>. This decision directly covered around 62% of the ECEC workforce, with the remainder falling under different workplace instruments (e.g. Enterprise Agreements).

### Pipeline

- In 2022, there were approximately **35,600** training completions for Certificate III and Diploma courses in early childhood, including:
  - **17,610** Certificate IIIs in Early Childhood and Care
  - **17,995** Diplomas of Early Childhood and Care.

<sup>1</sup> February 2024, Detailed Labour Force Survey (Table EQ08), ABS, Data trended by Jobs and Skills Australia.

<sup>2</sup> Jobs and Skills Australia, Labour Market Insights, Internet Vacancy Index, April 2024.

<sup>3</sup> <https://library.fairwork.gov.au/award/?krm=MA000120>

<sup>4</sup> <https://awardviewer.fwo.gov.au/award/show/MA000077>

<sup>5</sup> FWC Annual Wage Review 2022-23

## Early Childhood and Youth 2024–25 Budget Estimates

- As at 30 September 2023, 21,340 trainees were in-training in an apprenticeship pathway to gain an ECEC qualification<sup>6</sup>.
  - 14,975 Certificate IIIs in Early Childhood and Care
  - 6,365 Diplomas of Early Childhood and Care.

### SB24-000189 – Inclusion Support Program

- The Inclusion Support Program (ISP) is a **\$133 million** a year program to build capacity and capability of approved ECEC services to support the inclusion of children with additional needs, particularly those with disability.
- Additional supplementation of **\$98.4 million** was received in the 2024–25 budget measure to meet the anticipated demand for the Inclusion Development Fund (IDF) Subsidy (additional educators) based on current growth. This follows an additional \$73.8 million received through MYEFO 2023–24, also provided to meet increased demand.
- Measures were introduced on 11 January 2024 to ensure the program remained fiscally sustainable and provided equity for those families requiring support the most in a time of high demand. This included limiting the timeframe for applications to within the current financial year. The measures were lifted on 10 April 2024, and services can currently apply for assistance up until 30 June 2025.
- Alongside the recent 2023 review of the program, there are several important reviews, including the PC Inquiry, that will inform and shape the future direction of ISP once completed. The review of the program found that while the policy objectives of ISP are broadly appropriate, its current design and delivery does not achieve its objectives in a systemic way with significant inclusion gaps remaining.

#### **Increased Demand for ISP**

- The first half of this year has seen an increase in the number of applications received for funding from the Inclusion Development Fund Subsidy. Based on modelling conducted by ORIMA, it is anticipated that demand for ISP will be 13% above demand over the full 2023–24 financial year.

### SB24-000190 - Regional Access

Approximately **25% (3,674)** of approved ECEC services (not including IHC) are located outside major cities.

#### **Key Programs and Initiatives**

- The **Community Child Care Fund (CCCF)** supports around **900 services** to reduce barriers to access, particularly for children and families in rural and remote communities and First Nations communities, and where services are in limited supply. The CCCF will deliver approximately **\$614.7 million** over 4 years (2024–25 to 2027–28, including Connected Beginnings), with around **70%** of allocated funding over 2024–25 supporting services in regional and remote locations. Under the CCCF Establishing Childcare in Limited Supply Areas grant opportunity, **\$16 million** is being provided to fund **47 new services**, including 13 new Centre Based Day Care services and 34 FDC locations, across 38 communities in priority regional and remote parts of the country.
- The **CCCF Round 4 competitive grant opportunity** will provide **\$84 million** over 2 years from July 2024 to support ECEC services, particularly those in currently under-served or unserved regional, rural and remote areas. Applications closed 8 March 2024 and outcomes will be announced in June 2024.
- Since 4 April 2023, the Government has announced 8 new **CCCF Restricted Expansion** grants to First Nations led organisations and grant negotiations are underway with organisations in another 4 sites. The **\$29.9 million** allocated to this Closing the Gap measure over 4 years from 2021–22 supports organisations to establish new services in remote and very remote areas where there is little or no ECEC service available.
- The **IHC program** provides high quality flexible ECEC to families for whom other approved ECEC options are not available or appropriate due to their unique circumstances, including where families are geographically isolated from child care, particularly in rural or remote locations.
  - As at 31 December 2023, **960 families** were using IHC and approximately **25%** of these families were geographically isolated.

<sup>6</sup> NCVER 2024, Australian vocational education and training statistics: apprentices and trainees 2023 – September quarter, NCVER, Adelaide.

## Early Childhood and Youth 2024–25 Budget Estimates

- The Government also supports families by reducing the cost of ECEC through the CCS, which targets support to families who need it most.
- Since 10 July 2023, the Government has provided a base level of 36 subsidised care hours per fortnight for First Nations children, regardless of their family's activity. This will further support First Nations families residing in remote or regional communities.

### **Workforce**

- Based on staffing waiver data, workforce shortages are most acute outside of major metropolitan regions.
  - The percentage of services holding a temporary waiver for one or more of the staffing requirements under the NQF in outer regional, remote and very remote areas, is **3.8%** higher than in inner regional and major cities<sup>7</sup>. This compares to **4.3%** from the previous quarter.
- The National Children's Education and Care Workforce Strategy includes 21 actions to be delivered in the short, medium and long-term, to support recruitment and retention of the ECEC workforce.
  - Focus Area 2-1 includes a review of targeted programs that support studies and placements of potential educators and teachers in regional, rural and remote areas.

### **PC Inquiry into ECEC**

- The PC has been asked by the Government to consider the impact on access to quality ECEC, including by remoteness and whether different settings are required based on the location of services or family circumstances. The PC's draft report included a finding that ECEC availability tends to be poorer in regional and remote areas, and a recommendation that additional funding be provided to support universal access in persistently thin markets.

### **Australian Competition and Consumer Commission (ACCC) Inquiry**

- The ACCC released its final report on 29 January 2024, outlining 8 recommendations and 31 findings. Key findings include:
  - Child care affordability has improved following the July 2023 CCS changes.
  - A 'one size fits all' approach to regulation is unlikely to meet government and community expectations for all markets.
- The Government will consider the ACCC's report alongside the PC inquiry into ECEC, which is due to be finalised by 30 June 2024.

<sup>7</sup> [NQF Snapshot Q1 2024 \(acecqa.gov.au\)](https://www.acecqa.gov.au) W4: Proportion of services with a staffing waiver by remoteness classification and waiver category.

**Issue:** 2024-25 Budget Measure: CCS Reforms Further Measures for Strong and Sustainable Foundations  
**PBS Pg No.** 22  
**Contact:** Kylie Crane  
 Ph: s 22  
 Deputy Secretary, Early Childhood and Youth

## Total costs and savings

### CCS Reforms - Further Measures for Strong and Sustainable Foundations

Financial year (UCB)	2024–25 (\$m)	2025–26 (\$m)	2026–27 (\$m)	2027–28 (\$m)
Services Australia	5.6	1.5	1.2	1.2
Australian Taxation Office	2.3	1.9	0.3	0.2
Australian Bureau of Statistics	0.5	-	-	-
Australian Transaction Reports and Analysis Centre	0.3	0.3	0.3	0.3
Education – net save	-6.5	-141.3	-143.3	-135.6
<b>Measure Total (Net save)</b>	<b>-2.2</b>	<b>-137.6</b>	<b>-141.4</b>	<b>-133.9</b>

### Department of Education only - by component

Financial year (UCB)	2024–25 (\$m)	2025–26 (\$m)	2026–27 (\$m)	2027–28 (\$m)
CCS Integrity – Departmental (incl Capital)	24.0	18.1	15.9	16.1
CCS Integrity – Administered	1.7	2.3	3.0	3.1
CCS Integrity – Save	-60.6	-161.6	-162.2	-154.8
Wage Case – Departmental (incl Capital)	28.3			
<b>Education Total (Net save)</b>	<b>-6.5</b>	<b>-141.3</b>	<b>-143.3</b>	<b>-135.6</b>

## Key Points

- This measure will achieve net savings of \$410.7 million\* over 4 years from 2024–25 through additional activities to strengthen the payment and accuracy of the Child Care Subsidy program.
- It will also invest \$30.0 million\* over 2 years from 2024–25 in IT and payment services to deliver on its commitment to provide funding towards a wage increase for the Early Childhood Education and Care (ECEC) sector. This will support a response to Fair Work Commission processes as they relate to this sector.
- Together, these initiatives build on the investments in previous Budgets to both strengthen the integrity of the CCS system, and

\* Figures inclusive of service delivery agencies costs.

upgrade administrative systems to provide a foundation for future reforms.

- Additional resources will be directed to a range of activities, including:
  - Bolstering education, audit and compliance activities.
  - Mandating direct collection of gap fees by Family Day Care (FDC) and In Home Care (IHC) providers from 1 July 2025.
  - Working with the Australian Taxation Office to ensure satisfactory engagement with the Australian tax system as part of the fitness and propriety requirements of existing and new child care providers.
  - Establishing IT and payment systems to enable the delivery of funding to support a wage increase for the ECEC sector.

#### ***Previous Integrity Package in October 2022 and May 2023 Budgets***

- The CCS integrity measures announced in the October 2022–23 and May 2023–24 Budgets will deliver combined net savings of \$368.9 million over 5 years from 2022–23 to 2026–27 with costs of \$79.4 million. These measures are exceeding targets to date.
- As of 15 January 2024, the department has achieved \$161 million in savings, exceeding the \$90 million target to date.

#### ***Family Day Care and In Home Care Providers – Centralised Collection of Gap Fees (from 1 July 2025)***

- Legislation will be required to implement this measure from 1 July 2025 and is expected to be introduced in late 2024.
- The measure includes practical hands-on transition supports to help providers move to a centralised collection of gap fees (collection by the provider rather than outsourcing collection to educators). The department will work closely with the sector on the design and rollout of these supports and the measure provides a long lead up time.
- The change is an important step towards strengthening the governance and accountability in the FDC and IHC sector, so government and families can fully realise the benefits of these care types including in regional Australia where they can be an effective way to create additional supply.

#### ***Fit and proper requirements from 1 April 2025:***

- From 1 April 2025, providers applying for CCS approval will need to provide a satisfactory statement of tax record (STR). Some existing providers may also be asked to show an STR.
- To maintain CCS approval, providers must be considered fit and proper to handle public money.



- The fit and proper test is an existing and long-standing requirement for ongoing CCS approval.
- From April next year, a provider's engagement with the Australian Tax System will be considered under the fit and proper test.

### Media

- ***Rich daycare owners targeted in crackdown, The Australian, 15 May 2024***

The article provided an overview many ECY budget items including integrity, increases to overall CCS outlays, inclusion support program and the contingency reserve for a pay rise. It specifically referenced funding for the ATO and AUSTRAC to ensure satisfactory engagement of providers with the Australian Tax System and identification if individuals with high unexplained wealth connected the ECEC sector.

- ***All Aussies get lumped with the fix-up bill, The NT News, 20 May 2024.***

The article highlights fraud in the NDIS sector and suggests there is now a problem with the Child Care Subsidy Scheme. The tone of the article supports taking action, though highlights that fraudsters are accumulating wealth while parents struggle with child care fees.

- ***There have been a number of articles in response to the Government's commitment to fund a wage increase for the ECEC sector.***

The response to the Government's commitment has been generally positive including from peak bodies and advocacy organisations such as Early Childhood Australia, the United Workers Union, the Early Learning and Care Council of Australia, HESTA and the Australian Education Union (see [ECEC sector responds to Budget 2024/25, The Sector, 14 May 2024](#)).

However, some concerns have been raised over lack of detail regarding the timing and amount of funding to be provided (see [Workers' pay rise lacks detail, The Herald Sun, 15 May 2024 at Attachment A](#)).

### Attachments

- [Attachment A](#) - Workers' pay rise lacks detail, The Herald Sun, 15 May 2024

Date Last Cleared	21 May 2024
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# Workers' pay rise lacks detail

By child care Julie Cross

Herald Sun

Wednesday 15th May 2024

195 words

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102cm on the page



# Workers' pay rise lacks detail

**CHILD CARE**  
**Julie Cross**

The nation's underpaid child-care workers will finally get a pay rise, but must wait to see how much and when.

The federal government revealed it is losing more than \$100m a year to fraud and non-compliance within the Child Care Subsidy program, and will spend an extra \$25m annually to clamp down on

dodgy providers and "individuals of high, unexplained wealth" in the sector.

Childcare workers will be disappointed at the lack of detail around their much-hyped pay rise.

The budget papers reveal nothing will be finalised until after Fair Work Commission processes are considered.

Georgie Dent, CEO of campaign group Parenthood, said the organisation would con-

tinue to back the United Workers' Union's call for a 25 per cent government-funded rise for educators and teachers.

At the very least, she said, she had hoped to see a 15 per cent increase announced in the budget, "with a commitment to a further increase in the future".

She said educators were leaving in droves because they can earn more with less stress working at a supermarket.



**Childcare workers will get more pay but how much is a mystery.**

**Issue:** Child Care Affordability  
**Contact:** Kylie Crane  
 Ph: s 22  
 Deputy Secretary, Early Childhood and Youth Group

## Key Points

### ***Investment in the Child Care Subsidy (CCS)***

- As part of the October 2022–23 Budget, the Australian Government invested **\$4.6 billion** to increase CCS rates for families earning less than \$530,000 – reducing out-of-pocket fees for around 96% of Australian families – over 1.2 million families.
- The total estimated expenditure on CCS (including Additional Child Care Subsidy) for the December quarter 2023 was **\$3.54 billion**.
- **\$13.9 billion** is expected to be spent on CCS in the 2023–24 financial year (expense as at Budget 2024–25).

### ***Impact of CCS Changes on the Consumer Price Index (CPI)***

- The child care CPI **increased by 3.9%** in the March quarter 2024. Over the year to March quarter 2024 child care CPI decreased by 5.6%.
  - All groups CPI **increased by 1.0%** in the March quarter 2024. Over the year to the March quarter 2024, all groups CPI increased by 3.6%.
- Out-of-pocket child care costs as measured by child care CPI are **6.9% lower than in June quarter 2023**, prior to the introduction of Cheaper Child Care reform.
  - Child care CPI is based on out-of-pocket costs of child care borne by households. A reduction in the child care CPI indicates that out-of-pocket costs have been reduced.

### ***Out-of-Pocket Costs***

- After introduction of the Cheaper Child Care measures **average out-of-pocket costs are at their lowest since the introduction of the Child Care Subsidy (CCS) in 2018**.
- The average out-of-pocket cost in December quarter 2023 was \$3.59 per hour for all care types (excluding In Home Care).
  - An improvement from \$4.22 in the June quarter 2023 – last quarter prior to the Cheaper Child Care measures.
  - This is lower than \$3.66 in December quarter 2018, the lowest out-of-pocket cost after the introduction of CCS.

**Table 1 – Average Out-of-Pocket costs per hour per child**

	<b>Dec qtr 2018</b> (after introduction of CCS)	<b>Jun qtr 2023</b> (before Cheaper Child Care measures)	<b>Dec qtr 2023</b>
CBDC	\$3.84	\$4.36	\$3.73
OSHC	\$3.16	\$3.65	\$2.94
<b>ALL*</b>	<b>\$3.66</b>	<b>\$4.22</b>	<b>\$3.59</b>

\*Excludes In Home Care

- In the December quarter 2023 there were 850,900 children in Centre Based Day Care (CBDC).
  - For 259,080 (30.4%) children, parents' out-of-pocket costs were less than \$2 an hour per child (compared to 29.0% in the September quarter 2023).
  - For 641,380 (75.4%) children, parents' out-of-pocket costs were less than \$5 an hour per child (compared to 74.0% in the September quarter 2023).

### **Fees**

- In the December quarter 2023, the **average hourly child care fee per child, for all service types** (excluding In Home Care) was **\$12.35** – an annual increase of 8.9% and a quarterly increase of 1.2%. The 10-year average fee growth is **5.2%** per annum.
  - The **average hourly fee in CBDC** was **\$12.85** in December quarter 2023 – an annual increase of 9.2% and a quarterly increase of 0.5%. The 10-year average fee growth for CBDC is **5.4%** per annum.
  - The **average hourly fee in Outside School Hours Care (OSHC)** was **\$8.80** in December quarter 2023 – an annual increase of 6.9% and a quarterly increase of 2.4%.

### **Australian Competition and Consumer Commission (ACCC) Inquiry**

- The ACCC has investigated the drivers of early childhood education and care (ECEC) costs and the impact of these costs on child care provider viability, quality and profits.
- The ACCC's final report was provided to Government on 31 December 2023 and published on 29 January 2024, presenting 8 recommendations and 31 findings. The report includes analysis of the impact of the CCS increases in July 2023 on out-of-pocket fees.
- The ACCC's recommendations and findings will be considered in the context of the Productivity Commission's (PC) comprehensive inquiry into Australia's ECEC system due to be finalised by 30 June 2024.

- In making recommendations, the PC has been asked to consider options that improve or support affordability of quality ECEC services that meet the needs of families and children.

## Media

NIL

<b>Date Last Cleared</b>	28 May 2024
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## BACKGROUND

### *Changes to the Child Care Subsidy (CCS)*

- The Government delivers a range of supports for families to help them access the ECEC services they need.
- Primary support is through the CCS which helps families with the cost of ECEC.
- From July 2023:
  - CCS rates lifted from 85% to 90% for families earning \$80,000 or less.
  - Families earning over \$80,000 and under \$530,000 now receive a subsidy that tapers down from 90% by 1% for each \$5,000 earned. This rate reaches 0% for families earning \$530,000 or more.

### *Fees and Charged Hours*

- Average hourly fees for CBDC are consistently highest in the ACT and lowest in Tas. and the NT.

**Table 2 – Average Hourly Fees – CBDC**

State / Territory	Dec qtr 2022	Sep qtr 2023	Dec qtr 2023
NSW	\$11.95	\$12.95	\$13.00
Vic.	\$12.05	\$13.00	\$13.05
Qld	\$11.20	\$12.35	\$12.40
SA	\$11.55	\$12.50	\$12.55
WA	\$12.05	\$13.05	\$13.10
Tas.	\$10.70	\$11.80	\$11.85
NT	\$10.75	\$11.65	\$11.80
ACT	\$13.10	\$14.25	\$14.35
<b>Australia</b>	<b>\$11.80</b>	<b>\$12.80</b>	<b>\$12.85</b>

Source: Department of Education administrative data

- During the December quarter 2023, the average charged hours per child per week in CBDC was 33.3. This is 2.7% higher than the 32.4 hours in December quarter 2022.

### *Hourly Rate Caps*

- The hourly rate caps are indexed in July each year by the annual change in the CPI from the most recent December quarter. The CPI in the December quarter 2023 was 4.1%, leading to the CBDC cap increasing by \$0.56 (see Table 3).

**Table 3 – Hourly Rate Caps Over Time**

Service Type	CCS Year			
	2021–22 <sup>1</sup>	2022–23 <sup>2</sup>	2023–24 <sup>3</sup>	2024–25 <sup>4</sup>
Centre Based Day Care	\$12.31	\$12.74	\$13.73	\$14.29
Family Day Care	\$11.40	\$11.80	\$12.72	\$13.24
Outside School Hours Care	\$10.77	\$11.15	\$12.02	\$12.51
In Home Care	\$33.47	\$34.64	\$37.34	\$38.87

<sup>1</sup> Hourly fee caps for CCS year 2021-22 applied from 12 July 2021 until 10 July 2022.

<sup>2</sup> Hourly fee caps for CCS year 2022-23 applied from 11 July 2022 until 9 July 2023.

<sup>3</sup> Hourly fee caps for CCS year 2023-24 will apply from 10 July 2023 until 8 July 2024.

<sup>4</sup> Hourly fee caps for CCS year 2024-25 will apply from 9 July 2024 until 7 July 2025.

- During the December quarter 2023, 76.3% of CBDC services, and 86.4% of OSHC services, were charging at or below the hourly rate cap. This compares with:
  - 78.4% for CBDC in December quarter 2022 (decrease of 2.1 percentage points)
  - 85.1% for OSHC in December quarter 2022 (increase of 1.3 percentage points).

**Fee Setting Practices**

- Fee setting practices are commercial decisions for child care providers. Family Assistance Law does not permit regulation of fees, however, there are other policy levers available to Government to put downward pressure on fees, such as CCS hourly rate caps which encourage transparency and consumer choice.
- The Government is implementing several measures to increase transparency in the ECEC sector and the amount of information available to families.
  - Since 1 July 2023, all large child care providers (operating 25+ services) are required to report financial information to the department each year. Providers are required to report by 1 October if they base their financial reporting on the financial year, or 1 April if they base their reporting on the calendar year.
  - Information reported about revenue and profits for large for-profit providers was published online on startingblocks.gov.au (Starting Blocks) in March 2024. Profit and revenue information reported through later reporting rounds will be published on Starting Blocks periodically.
  - Since March 2024, enhancements have been made to Starting Blocks, to enable families to see how fees charged by services have changed over time.

<b>Issue:</b>	<b>Child Safety</b>
<b>PBS /PAES /</b>	N/A
<b>MYEFO Pg No.</b>	N/A
<b>Contact:</b>	<b>Kylie Crane</b>
	Ph: s 22
	Deputy Secretary, Early Childhood and Youth

## Key Points

- The Australian Government takes the safety, health and wellbeing of every child seriously, and is committed to ensuring that all providers of early childhood education and care (ECEC) embed a child safe culture.
- The National Quality Framework (NQF) provides a comprehensive national regulatory system to ensure the safety, health and wellbeing of all children attending an approved ECEC service. The NQF is designed to support ECEC services in meeting their obligations to provide a child safe environment and minimise the risk of harm and hazard to children.
  - At 1 April 2024, there were 17,651 approved services regulated under the NQF across Australia, including centre-based day care, family day care, outside school hours care and preschool<sup>1</sup>.
- States and territories are responsible for ECEC delivery in their jurisdictions as well as establishing regulatory authorities that ensure NQF compliance.
- All ECEC providers are required under the Education and Care Services National Law and National Regulations to have a range of critical safety measures in place, including that children are adequately supervised at all times. Adequate supervision is a requirement under Element 2.2.1 of the National Quality Standards.
- Australia has both national child protection safeguards and safeguards within jurisdictions. These include working with children checks, reportable conduct schemes (ACT, NSW, Vic, WA and Tas), child protection training, teacher registration processes, mandatory reporting and reporting of risks and serious incidents to regulatory bodies.
  - Refer to [Attachment A](#) for information on serious incidents and waivers.
- The Government is working with all states and territories to implement and promote the National Principles for Child Safe Organisations, a requirement of the Commonwealth Child Safe Framework.

<sup>1</sup> [NQF Snapshot Q1 2024 \(acecqa.gov.au\)](https://www.acecqa.gov.au)



- The Government recognises the protection of children is not something it can achieve alone.
  - Refer to [Attachment B](#) for child protection portfolio responsibilities, and safeguards.
- There is ongoing collaboration between governments and respective agencies on specific operations and incidents.
  - Questions related to Operation Tenterfield should be directed to the Australian Federal Police.
  - Questions related to national policies and strategies to prevent and respond to child sexual abuse, the National Principles for Child Safe Organisations, and the Commonwealth Child Safe Framework should be directed to the National Office for Child Safety.

#### ***Review of Child Safety Arrangements Under the NQF***

- The Australian Children’s Education and Care Quality Authority (ACECQA) is an independent national authority that assists governments in administering the NQF.
- The Hon Jason Clare MP, Minister for Education, and the Hon Dr Anne Aly MP, Minister for Early Childhood Education, with support from all Ministers through the Education Ministers Meetings, commissioned the ACECQA to undertake a *Review of Child Safety Arrangements under the NQF* (the Review).
- The Final Report of the Review was [published on ACECQA's website](#) on 21 December 2023 and includes 16 recommendations about:
  - physical and online safety
  - child supervision
  - staffing requirements.
- The Review found:
  - The NQF is an internationally recognised framework that provides a robust regulatory scheme for ensuring the safety, health and wellbeing of children.
  - Australia has a very good system of ECEC and more can be done to ensure the NQF remains contemporary and fit-for-purpose in the context of child safety.
- On 23 February 2024, Education Ministers accepted in-principle key recommendations from the Review, and agreed that they would work with other Ministers where recommendations went beyond Education.
- Implementation actions will improve existing safeguards and enhance safety arrangements for children in ECEC services across Australia.

- Recommendations from the Review for priority action include reducing notification reporting timeframes for allegations of physical or sexual abuse, making services free from e-cigarettes/vaping and options to restrict the use of personal devices that take images or videos of children.

### **Next Steps**

- On 26 April 2024, Education Ministers considered an update on agreed actions in response to the Review and agreed to:
  - commence targeted consultation on a draft National Model Code and Guidelines on the use of electronic devices in ECEC services (*Recommendations 2.3 and 2.4*)
  - initial work proposed by the Australian Institute for Teaching Standards and Leadership to progress changes to the Australian Professional Standards for Teachers to better recognise and support registration arrangements for early childhood teachers operating in non-school settings (*Recommendation 8*).

### **Other Actions to Improve Child Safety**

#### 2019 NQF Review – Implementation

- The 2019 review of the NQF made recommendations in 21 areas to improve children's health, safety and wellbeing, service quality and regulatory burden.
- Education Ministers agreed changes to legislation, regulations and guidance to implement the recommendations and ensure the NQF remained contemporary and robust.
- Key changes in areas such as transport and sleep requirements were fast-tracked to commence in early 2023 and other regulatory amendments, such as safe sleep requirements, commenced from 1 October 2023.

#### Safety in Out of Scope Services Funded by Australian Government

- The Government has engaged ACECQA to build capability in the provision of quality and safe ECEC in Community Child Care Fund Restricted services and In Home Care services

*Recommendations from the Productivity Commission Inquiry into the ECEC Sector in Australia*

- On 23 November 2023, the Productivity Commission (PC) released its draft report, which included a recommendation on improving the transparency of the ECEC regulatory system, including publishing metrics on the number of assessments performed, average time between assessments, and other compliance and enforcement activities which may have a positive impact on child safety.
- The PC will provide a final report to Government by 30 June 2024.

**Media**

- ***Childcare workers could (be) banned from using personal phones at work after nationwide review into child safety, ABC News, 11 December 2023***

Several similar articles were published following the release of the Child Safety Review report. This article was one of the first, published prior to the publication of the Child Safety Review Report.

It summarises recommendations of the Child Safety Review, specifically a potential ban on mobile phones in ECEC settings, the examination of children check process, mandatory reporting, and the effectiveness of record keeping and information-sharing between states and territories. It also mentions establishing a national educator register, which was not a specific recommendation of the Review.

- ***Man charged with rape and sexual assaults at childcare centres, AFP media release, 01 August 2023***  
Other media on child safety primarily relates to Operation Tenterfield and the 1 August 2023 announcement by AFP of the investigation and arrest of a Gold Coast man regarding child abuse in multiple child care centres spanning 15 years.

**Attachments**

[Attachment A](#) – Serious incidents and waivers

[Attachment B](#) – Child protection portfolio responsibilities

Date Last Cleared	23 May 2024
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## BACKGROUND

- The NQF includes the *Education and Care Services National Law* (National Law), National Regulations, and National Quality Standards for service policies, programs and practices, including children's health, wellbeing and safety.
- The NQF is governed multilaterally by education Ministers, who provide ongoing oversight and ultimate decision-making.
- The NQF introduced new quality standards in 2012 to improve education and care across the sector, mandating staff qualifications and ratios.
- The 2019 NQF Review had a strong focus on increasing safeguards for children attending approved education and care services with additional requirements based on alignment with the National Principles for Child Safe Organisations, transporting children, multi-storey buildings regarding emergency evacuation during fire related events, and sleep and rest. These changes were based on evidence about the higher level of risk associated with these activities.
- The timing of the next NQF Review has not been determined. The Early Childhood Policy Group is undertaking targeted reviews rather than large-scale reviews, to enable the 2019 NQF Review changes to be implemented and their impact understood. Reviewing the NQF is consistent with the commitment to continuous quality improvement ensuring children's health, safety and wellbeing.
- State and territory regulatory authorities have day-to-day contact with ECEC services for most issues like granting all approvals, assessing and rating services, ensuring compliance with the NQF.
- State-based regulatory authorities work with the ACECQA to promote continuous quality improvement and educate the sector and community about the NQF.
- From 1 October 2023, changes to the NQF to embed the National Principles for Child Safe Organisations apply to all approved provider organisations and service operations. Approved providers must ensure:
  - volunteers and students are advised of the existence and application of the current child protection law in the relevant jurisdiction and understand any obligations held under that law
  - all family day care coordinators have successfully completed child protection training (if any) required in their state or territory
  - working with vulnerable people/children check details are included on volunteer and student staff records
  - services' child safe environment policies and procedures include matters relating to the promotion of a culture of child safety and wellbeing and the safe use of online environments
  - services' complaint handling policies and procedures include the provision of a complaint handling system at the service that is child focused
  - services' complaint handling policies also include matters relating to the management of a complaint that alleges a child is exhibiting harmful sexual behaviours.

Attachment A

**Serious Incidents - see Key Facts for further information**

- Under the NQF, a serious incident is defined as an event occurring at an ECEC service which causes:
  - the death of a child; or
  - serious injury or trauma to a child for which the child requires urgent medical attention; or
  - a child being missed or unaccounted for.
- In 2022–23, there were 139 serious incidents per 100 NQF approved services, up from 123.8 in 2021–22 (highest rate since 2016-17)<sup>1</sup>.
- Long day care services continue to report a higher rate of serious incidents than other service types (191 per 100 approved services), likely to coincide with longer periods of care and younger children in care.
- ACECQA has undertaken further analysis to improve sector understanding of the drivers of these increases and possible solutions with ongoing discussions occurring with stakeholders on the results.
- ACECQA have also released occasional papers about trends in serious incidents data and newsletter articles and information sheets to help providers and services prevent, manage and respond to serious incidents.

**Staffing Waivers – see Key Facts for further information.**

- As at 1 April 2024, 9.1% of all services had a staffing waiver (down from 10% on 1 October 2023, which was the highest since the introduction of the NQF).
- Waivers are issued only when the regulator is certain genuine steps were taken to avoid the need for a waiver and there is no risk to children’s safety, health and wellbeing and are adequately supervised at all times.
- Most staffing waivers relate to temporary difficulties experienced by long day care service providers in meeting the early childhood teacher requirements stipulated under the Education and Care Services National Regulations, with very few relating to the educator-to-child ratio requirements stipulated under the Regulations.

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<sup>1</sup> NQF Annual Performance Report 2023

**Attachment A**

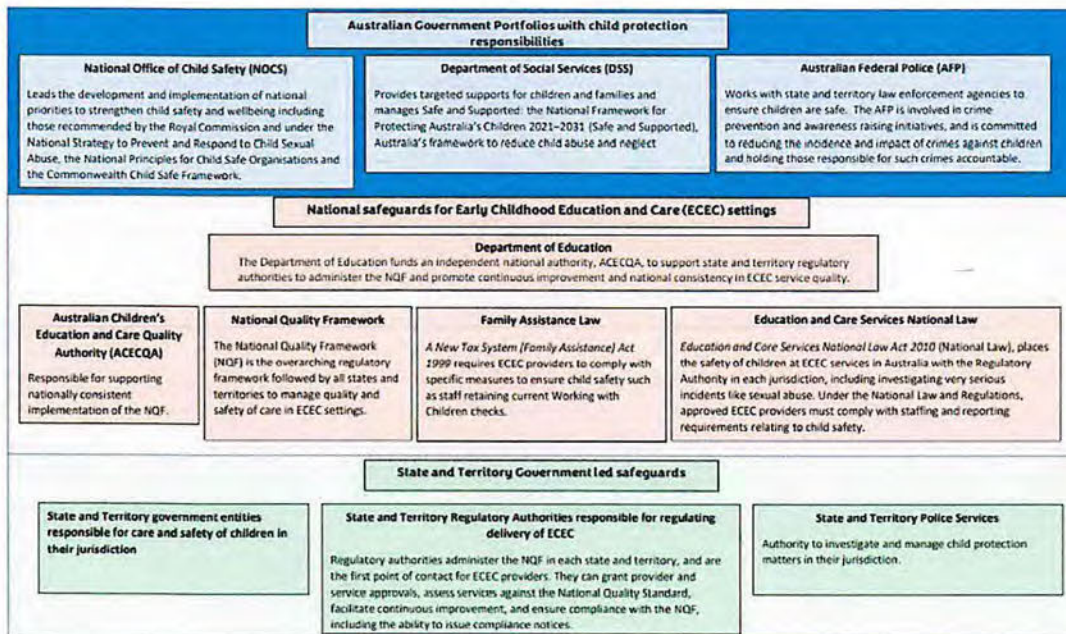
<b>Requirements that may be covered by a service waiver</b>	
Regulation	Requirement
72A	Location of principal office of family day care service
<b>Physical environment</b>	
104	Fencing
107	Indoor space (Centre-based only)
108	Outdoor space (Centre-based only)
110	Ventilation and natural light
117	Glass (Family Day Care only).
<b>Staffing</b>	
120	Educators who are under 18 to be supervised (Centre-based only)
123	Educator to child ratios—centre-based services (Centre-based only)
124	Number of children who can be educated and cared for (Family Day Care only)
126	General educator qualifications – centre-based services
127	Family day care educator qualifications (Family Day Care only)
128	Family day care co-ordinator qualifications (Family Day Care only)
130	Requirement for early childhood teacher—centre-based services—fewer than 25 approved places (Centre-based only)
131	Requirement for early childhood teacher—centre-based services—25 or more approved places but fewer than 25 children
132	Requirement for early childhood teacher—centre-based services—25 to 59 children
133	Requirement for early childhood teacher—centre-based services—60 to 80 children
134	Requirement for early childhood teacher—centre-based services—more than 80 children (Centre-based only)
Division 2 of Part 4.3	(Centre-based only) <ul style="list-style-type: none"> <li>• 111 Administrative space</li> <li>• 112 Nappy change facilities</li> </ul>

**Attachment A**

	<ul style="list-style-type: none"><li>• 113 Outdoor space—natural environment</li><li>• 114 Outdoor space—shade</li><li>• 115 Premises designed to facilitate supervision</li></ul>
Ch.7	Any jurisdiction-specific, transitional or saving provisions that apply in place of the regulations outlined above.

For Official Use Only

**Attachment B: Child Protection portfolio responsibilities**





For Official Use Only

## Further information on key agencies

### National Office for Child Safety

The [National Office for Child Safety](#) (NOCS) leads the development and implementation of national priorities to strengthen child safety and wellbeing including those recommended by the Royal Commission and under the *National Strategy to Prevent and Respond to Child Sexual Abuse*, the *National Principles for Child Safe Organisations* and the *Commonwealth Child Safe Framework*. NOCS is working with jurisdictions to develop options for national reform to enhance child safety and reduce regulatory barriers around working with children checks. Reform options will be developed as a joint responsibility between all governments.

### Department of Social Services

The Department of Social Services is responsible for contributing to stronger and more resilient children and families by providing targeted supports. They have carriage of Australia's framework for ensuring children and young people grow up in safe and supported homes free from harm and neglect '*Safe and Supported: the National Framework for Protecting Australia's Children 2021-2031*'.

### Department of Education

The Department of Education funds an independent national authority, ACECQA, to support state and territory regulatory authorities to administer the NQF and promote continuous improvement and national consistency in ECEC service quality.

### Family Assistance Law

*A New Tax System (Family Assistance) Act 1999* requires ECEC providers to comply with specific measures to ensure child safety such as staff retaining current Working with Children checks.

### Education and Care Services National Law

*Education and Care Services National Law Act 2010* (National Law), places the safety of children at ECEC services in Australia with the Regulatory Authority in each jurisdiction, including investigating very serious incidents like sexual abuse. Under the National Law and Regulations, approved ECEC providers must comply with staffing and reporting requirements relating to child safety including:

- Requirement for each nominated supervisor and person in charge of the service to have completed the child protection training required in their jurisdiction, have the correct working with children checks and teacher registrations in place, as well as having policies and procedures in place to ensure the provision of a child safe environment.
- requirement for providers to notify the relevant Regulatory Authority of any circumstances which pose a risk to the health, safety and wellbeing of children. This includes incidents or allegations of physical or sexual abuse of a child while a child is in care.

### National Quality Framework

The National Quality Framework (NQF) is the overarching regulatory framework followed by all states and territories to manage quality and safety of care in ECEC settings. The NQF includes a range of child protection safeguards including requiring all ECEC services comply with relevant child protection legislation in their jurisdictions.

### Australian Children's Education and Care Quality Authority

The Australian Children's Education and Care Quality Authority (ACECQA) has developed a register of prohibited persons and suspended educators that ECEC services review prior to hiring staff.

### State and Territory Governments

Legal responsibilities of each state and territory government for child protection and law enforcement. The Australian Federal Police works in partnership with state and territory police authorities to manage child protection matters.

**Issue:** Early Childhood Education and Care Workforce  
**MYEFO** N/A  
**PBS Page No.** N/A for 2024–25. Pages 14-15 2023–24 PBS  
**PAES** N/A  
**Contact:** Ms Kylie Crane  
 Ph: s 22  
 Deputy Secretary, Early Childhood and Youth

### Budget – ECEC Workforce Subsidies (Professional Development, Paid Practicum, Practicum Exchange) as at 2024–25 PBS

Administered funding:

Financial year	2022–23 (\$m)	2023–24 (\$m)	2024–25 (\$m)	2025–26 (\$m)	2026–27 (\$m)	Total (\$m)
Budget Allocation	0.000	16.262	33.256 <sup>1</sup>	8.582	6.318	64.418
Committed	0.000	14.408 <sup>2</sup>	0.0	0.0	0.0	14.408
Uncommitted	0.000	1.854	33.256	8.582	6.318	50.010

Departmental funding is \$8.501 million over 5 years.

### Key Points

- The early childhood education and care (ECEC) sector faces challenges in attracting and retaining the qualified workforce it requires.
  - The Productivity Commission (PC) interim report and the Australian Competition and Consumer Commission (ACCC) inquiry final report both note that addressing workforce issues will be fundamental to enabling future reforms.
  - The PC recommends governments prioritise the workforce attraction, retention and professional recognition challenges facing the sector.
- As of **February 2024**<sup>3</sup>, there were **245,000** educators, early childhood teachers (ECTs) and centre managers employed in the workforce, an **increase of 14,700 (6.4%)** from **February 2023**.

<sup>1</sup> Movement of Funds of \$8.092m from 2023–24 to 2024–25 for Paid Practicum. There was lower uptake in 2023-24 than anticipated due to eligibility parameters; the grant will be available to wider ECEC sector in 2024–25.

<sup>2</sup> As at QTR3 grant round payments, QTR4 payments are to be made in June 2024.

<sup>3</sup> February 2024, Detailed Labour Force Survey (Table EQ08), ABS, Data trended by Jobs and Skills Australia.

- In May 2023, Jobs and Skills Australia (JSA) projected the ECEC workforce would grow by 16,100 (6.7%) between May 2023 and May 2028, and by 40,200 (16.7%) between May 2023 and May 2033 based on projections produced by Victoria University.
- In **April 2024<sup>4</sup>**, there were **6,853 ECEC job vacancies** (three-month moving average). The yearly comparison indicates a **2.61% decrease** from **April 2023**.
  - This includes 4,313 job advertisements for early childhood educators, 2,192 job advertisements for ECTs, and 346 job advertisements for centre managers.
- As at 1 April 2024, 9.1% of services had a staffing waiver, generally for not having access to a qualified ECT<sup>5</sup>.
- Jobs and Skills Australia and HumanAbility are currently undertaking a capacity study on the ECEC workforce needs to support workforce planning.
  - Stakeholder roundtable sessions have been completed.
  - The interim report was provided to the Australian Government in February 2024. The final report will be completed in mid-2024.

### ***2024–25 Budget Commitment – ECEC Wages***

- The 2024–25 Budget includes \$30.0 million over 2 years to enable the Government to deliver on its commitment to provide funding towards a wage increase for the ECEC workforce.

### ***Supported Bargaining***

- While the Commonwealth is not a bargaining party, the Commonwealth has attended numerous ECEC supported bargaining conferences at the request of parties and will continue to support the process as appropriate.
- Supported bargaining participants cover a relatively broad section of the centre-based day care sector, including private for-profit providers and community-managed not-for-profit providers.

<sup>4</sup> Jobs and Skills Australia, Labour Market Insights, Internet Vacancy Index, April 2024.

<sup>5</sup> Australian Children's Education and Care Quality Authority NQF Snapshot Report Q1, 2024

**National Workforce Strategy**

- To attract and retain a quality workforce, the Government is working in partnership with stakeholders to implement Shaping Our Future, the co-designed National Children's Education and Care Workforce Strategy (the Strategy) to support recruitment and retention of the ECEC workforce.
  - The Strategy, published on 13 October 2021, documents and builds on the significant investment by all governments and the sector to date.
  - Implementation is a collective responsibility between governments, the ECEC sector and key stakeholders. No single government or stakeholder group can be responsible for its success.
  - Shaping Our Future includes 21 actions that will be progressed over 3 horizons:
    - 13 short-term actions, to be progressed within 3 years (end of 2024)
    - Seven medium-term actions, to be progressed within 6 years (end of 2027)
    - One long-term action, to be progressed within 10 years (end of 2031).
  - A summary of complementary initiatives released with the Strategy identifies over 70 recent workforce commitments and initiatives from all governments and the sector.
  - An implementation tracker for Strategy actions and complementary initiatives was published on the ACECQA website in July 2023, the dashboard will be refreshed July 2024.
    - Refer [Attachment B](#) for the implementation overview.
  - Implementation progress was reviewed at the first biennial workforce forum on 28 and 29 November 2023 which ACECQA convened as part of their coordination role.

**Workforce Development Measures**

- In the 2023–24 Budget, the Government announced \$72.4 million (from 2023–24 to 2026–27) for 3 grants programs to support the skills and training of the ECEC workforce: the professional development subsidy; the paid practicum subsidy; and the practicum exchange program.
  - The professional development and paid practicum subsidies commenced on 3 July 2023.

- The practicum exchange website is under development and is expected to go live later in 2024. Interested students and services can register their interest on the department's website.
- The 2024–25 Guidelines for the Professional Development and Paid Practicum subsidies are currently under development and are being consulted on with relevant stakeholders.
- As of 31 March 2024, 21,817 professional development subsidies and 664 paid practicum subsidies have been paid at a cost of \$14.42 million.
  - In 2023–24, these programs prioritise support for First Nations educators and ECTs, and educators and ECTs in regional and remote areas.
  - In 2024–25, the grants open to all of Australia by regionality, but First Nations and regional and remote areas remain high priority.
- Australians in regional remote areas will benefit from grants to ECEC services, such as CCCF, including Connected Beginnings. This will deliver \$614.7 million over 4 years – (2024–25 to 2027–28) with around 70% of allocated funding over 2024–25 supporting services in regional and remote locations. This funding will support and retain ECEC workers in areas of critical shortage, including regional and remote communities.

### ***Recent Wage Increases and Award Reviews***

- Each financial year the Fair Work Commission reviews and sets minimum wages. Most workers in the ECEC sector are covered by 2 Modern Awards which establish the minimum wages and conditions for:
  - Child educators – covered by the Children's Services Award (2010)<sup>6</sup>
  - Early Childhood Teachers – covered by the Educational Services (Teachers) Award (2020)<sup>7</sup>.
- The Annual Wage Review for 2022–23 delivered a 5.75% increase to these awards from 1 July 2023.<sup>8</sup> This decision directly covered around 62% of the ECEC workforce, with the remainder falling under different workplace instruments (e.g. Enterprise Agreements).

<sup>6</sup> <https://library.fairwork.gov.au/award/?krm=MA000120>

<sup>7</sup> <https://awardviewer.fwo.gov.au/award/show/MA000077>

<sup>8</sup> FWC Annual Wage Review 2022-23.

- Importantly, increases to the National Awards indirectly impact the wages of employees on other workplace instruments due to the Better Off Overall Test (e.g. wages under many of those instruments must be equal to or greater to the Award rate).
- Relatedly, on 3 February 2023, the Fair Work Commission announced a research project about occupational segregation and gender undervaluation. Research reports for the first 2 stages have been published and include the primary ECEC awards (above). Questions relating to this research should be referred to the Department of Employment and Workplace Relations.
  - The Fair Work Commission released its decision on the aged care industry stage 3 work value case with a pay increase of up to 28.5% (inclusive of the interim increase of 15%). Findings from this case may inform the gender pay equity research.

## **Pipeline**

### VET

- In 2022<sup>9</sup>, there were approximately 35,600 training completions for Certificate III and Diploma courses in early childhood, including:
  - 17,610 Certificate IIIs in Early Childhood and Care
  - 17,995 Diplomas of Early Childhood and Care.
- The Australian Apprenticeships Incentive Scheme commenced on 1 July 2022 and provides wage subsidies for employers and incentives for apprentices (trainees) to study priority occupations.
  - As at 30 September 2023, 21,340 trainees were in-training in an apprenticeship pathway to gain an ECEC qualification.<sup>10</sup>
    - 14,975 Certificate IIIs in Early Childhood and Care
    - 6,365 Diplomas of Early Childhood and Care.
- 180,000 Fee-Free TAFE places through the 12-month Skills Agreement (in partnership with states and territories).
  - Between January and December 2023, data reported by states and territories shows over 19,200 enrolments in Early Childhood and Education courses.

### Tertiary Education

- In 2022, there were 2,252 training completions for Initial Teacher Education courses.

<sup>9</sup> Next data due August 2024.

<sup>10</sup> NCVER 2024, Australian vocational education and training statistics: apprentices and trainees 2023 – September quarter, NCVER, Adelaide.

- Providing 20,000 (1,469 for ECTs) university places to provide more opportunities for under-represented groups to enter higher education in 2023 and 2024.
- Supporting talented students to enter the teaching profession with 5,000 scholarships for new teaching students studying from 2024.

### ***Retention and Support***

#### ***Child Care Discount***

- The child care discount for early childhood workforce measure, introduced from 24 January 2022, allows child care providers to discount the gap fee their employee pays when the employee's child is enrolled at a service where they work or that their employer owns.

#### ***HELP Program***

- The Very Remote Teachers Initiative is reducing Higher Education Loan Program (HELP) debts for teachers in the very remote areas program, where teachers, including ECTs, who have completed 4 years working in very remote Australia may apply to receive a cut to HELP debts. The average debt reduction will be around \$35,000 per teacher and the initiative is expected to support 2,000 teachers in 2023 and 500 teachers each year thereafter.

#### ***Mental Health***

- Be You is a mental health and wellbeing program for educators in schools and ECEC sectors. It provides resources, guidance and advice related to supporting wellbeing of educators and children.
  - The Be You program is funded by the Health portfolio and funding has been extended until 2027.

### **Media**

- **[The Albanese government is facing calls for more funding to help the childcare sector, News.com.au, 30 March 2024](#)**  
The United Workers Union continues calls for a 25% wage increase for ECEC workforce. Focuses wage increases against a backdrop of quality and safety concerns workforce issues including staff shortages, staff burnout, retention issues and service closures.
- **[Childcare workers get wage boost in budget as Australia battles staff shortages, The Guardian, 13 April 2024](#)**  
Reported Government is in the final stages of signing a boost to childcare workers' wages in Budget. Whilst providers not opposed to a pay increase, want Government to fund. Minister Clare quoted stating bargaining process in Fair Work Commission ongoing.

- **[ECEC sector responds to Budget 2024/25, The Sector, 15 May 2024](#)**  
Notes Government's commitment to provide funding towards a wage increase has been 'universally welcomed' by respondents including by key peak bodies and advocacy organisations.
- **[Australian federal budget 2024: Child care pay rise Daily Telegraph, 15 May 2024](#)**  
Outlines concerns raised across sector regarding lack of detail on timing and amount of funding to be provided.

### Attachments

[Attachment A](#) – Detailed workforce data and information on the uptake of skills programs

[Attachment B](#) – Implementation overview for 21 actions 2024

Date Last Cleared	04 June 2024
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ECY - Hot Topics (June 2024) - Hot Topic Briefs

EARLY CHILDHOOD AND CHILD CARE WORKFORCE—as at 23 May 2024

Total Employment				
2017-2024 The figure is based on ABS Labour Force Survey data that is trended by Jobs and Skills Australia (ISA).				
Year	February	May	August	November
2017	245,000	-	-	-
2021	230,300	233,900	237,600	241,300
2022	227,500	220,400	223,500	226,800
2023	208,900	210,600	212,600	214,900
2024	204,900	205,500	206,400	207,500
2025	203,900	203,600	204,000	204,400
2026	201,600	202,200	202,400	203,000
2027	197,700	199,000	200,100	200,900

Total Employment – selected 4-digit occupations							
ANZSCO Code	ANZSCO Title	Feb-2019	Feb-2020	Feb-2021	Feb-2022	Feb-2023	Feb-2024
4211	Child Carers	142,700	140,500	140,500	144,400	151,800	160,800
2411	Early Childhood Teachers	48,600	47,900	51,500	55,600	60,100	64,800
1341	Centre Managers	16,000	16,400	16,800	17,500	18,400	19,500
<b>Total</b>	<b>*Child Care Occupations</b>	<b>207,300</b>	<b>204,800</b>	<b>208,800</b>	<b>217,500</b>	<b>230,300</b>	<b>245,100</b>

Workforce by Service Type	
Service Type	Proportion of Workforce
Centre Based Day Care	61.4%
Family Day Care	5.5%
In Home Care	0.4%
Outside School Hours Care	13.0%
Vacation Care	10.3%
Dedicated Preschool	9.4%

Workforce Shortages				
Skills Priority List 2023				
ANZSCO Occupation	Shortage Driver	National Shortage	Future Demand	State / Territory Shortages
4211 Child Carers	Retention gap	Yes	Above economy wide average	Shortages across all states/territories.
2411 Early Childhood Teachers	Long training gap	Yes	At economy wide average	Shortages across all states/territories.
1341 Centre Managers	N/A	No	At economy wide average	Shortage in WA only

Employment Projections					
Victoria University Employment Projections					
Occupation	Employment level May 2021	Projected Employment level May 2028	Projected Employment level May 2033	Projected Employment Growth five years to May 2028 (%)	Projected Employment Growth ten years to May 2033 (%)
Child Carers	163,000	174,600	194,100	7.1%	19.0%
Early Childhood Teachers	60,300	63,700	67,400	5.6%	11.7%
Centre Managers	17,600	18,700	19,600	6.4%	11.8%
<b>Total</b>	<b>240,900</b>	<b>257,000</b>	<b>281,100</b>	<b>6.7%</b>	<b>16.7%</b>

Actual Earnings (including salary) (Average 2019-2023)						
Occupation	May 2019 avg salary	May 2018 avg salary	May 2021 avg salary	May 2022 avg salary	3 and 5 Change (2019-2021)	3 and 5 Change (2021-2023)
Child Carers	\$33,768	\$34,607	\$40,562	\$39,842	18.0%	-1.8%
Early Childhood Teachers	\$45,990	\$61,967	\$64,809	\$58,004	26.1%	-10.5%
Centre Managers	\$67,364	\$67,791	\$69,241	\$73,686	8.4%	6.4%

Workforce Demographics	
National ECEC Workforce Census 2021 Key Findings:	
•	92.1% female workforce (96% in Centre Based Day Care) (up from 91.1% in 2016).
•	2.9% of staff are Aboriginal or Torres Strait Islander workers (up from 2.0% in 2016).
•	The average years of experience for paid contact staff with an ECEC qualification was 8.1 years (up from 7.4 years in 2016).
•	The average years of job tenure for paid contact staff with an ECEC qualification was 4.0 years (up slightly from 3.6 years in 2016).

ECY - Hot Topics (June 2024) - Hot Topic Briefs

EARLY CHILDHOOD AND CHILD CARE WORKFORCE																																															
<p><b>Qualifications</b></p> <ul style="list-style-type: none"> <li>In 2021, 84.8% of paid contact staff held a relevant qualification. This compares to 70% in 2010, 82% in 2013 and 85.2% in 2016.</li> <li>30.1% had a certificate III or IV</li> <li>41.8% had an advanced Diploma or Diploma</li> <li>11.9% had a bachelor degree and above in an ECCE related field</li> </ul> <p>Source: Department of Education National Workforce Census (2021).</p>																																															
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<p><b>Skills and Training Initiatives</b></p> <ul style="list-style-type: none"> <li><b>Australian Apprenticeships Incentive System (Incentives System)</b> <ul style="list-style-type: none"> <li>The Incentives System, valued at \$2.3 billion over 4 years from 2022-23, is strengthening the apprenticeship system to target skill shortages, improve completions and ensure supports are accessible.</li> <li>Government support under the Incentives System came into effect from 1 July 2022 and is focused on priority occupations (including early childhood education and care), ensuring a combination of financial and non-financial support is targeted to the skills most in demand in the Australian economy.</li> </ul> </li> </ul> <table border="1"> <thead> <tr> <th>Apprentices and Trainees In Training at 30 September 2023</th> <th>Count</th> </tr> </thead> <tbody> <tr> <td>Certificate III in Early Childhood Education and Care</td> <td>14,975</td> </tr> <tr> <td>Diploma of Early Childhood Education and Care</td> <td>6,365</td> </tr> </tbody> </table> <p>Source: NCVET 2024, Australian vocational education and training statistics: apprentices and trainees 2023 - September quarter, NCVET, Adelaide</p> <ul style="list-style-type: none"> <li><b>Fee-Free TAFE</b> <ul style="list-style-type: none"> <li>Through the 12-Month Skills Agreement and a Deed of Variation to the 12-Month Skills Agreement, the Commonwealth Government has partnered with states and territories to deliver over \$1.4 billion funding for 480,000 Fee-Free TAFE and vocational education places across Australia over 2023 to 2026.</li> <li>Based on data reported by States and Territories, over 19,200 enrolments in early childhood and care courses have been supported through Fee-Free TAFE as at 31 December 2023.</li> </ul> </li> </ul> <table border="1"> <thead> <tr> <th>Fee-Free TAFE Early Childhood and Education Courses</th> <th>Enrolments</th> </tr> </thead> <tbody> <tr> <td>Certificate III in Early Childhood Education and Care</td> <td>15,278</td> </tr> <tr> <td>Diploma of Early Childhood Education and Care</td> <td>3,544</td> </tr> <tr> <td>Introduction to Early Childhood Education and Care Skill Set</td> <td>320</td> </tr> <tr> <td>Statement of Attainment in Early Childhood Education and Care</td> <td></td> </tr> <tr> <td>Develop Positive/Respectful Relationships with Children, Mentally/ Respond to Children/Young People at Risk and YHS</td> <td>16</td> </tr> <tr> <td>Statement of Attainment in Early Childhood Education and Care (Total Salary and WHS)</td> <td>29</td> </tr> <tr> <td>Other</td> <td>42</td> </tr> <tr> <td><b>Total</b></td> <td><b>19,249</b></td> </tr> </tbody> </table> <p>Source: Fee-Free TAFE Quarterly Reporting, DEWR</p> <ul style="list-style-type: none"> <li><b>Additional University Places</b> <ul style="list-style-type: none"> <li>20,000 additional university places to provide more opportunities for under-represented groups to enter higher education across 2023 and 2024, with 1,469 in early childhood teaching.</li> </ul> </li> </ul> <table border="1"> <thead> <tr> <th>NSW</th> <th>VIC</th> <th>QLD</th> <th>SA</th> <th>WA</th> <th>TAS</th> <th>NT</th> <th>ACT</th> <th>OTHER</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>395</td> <td>481</td> <td>47</td> <td>0</td> <td>464</td> <td>0</td> <td>54</td> <td>5</td> <td>23</td> <td>1,469</td> </tr> </tbody> </table>				Apprentices and Trainees In Training at 30 September 2023	Count	Certificate III in Early Childhood Education and Care	14,975	Diploma of Early Childhood Education and Care	6,365	Fee-Free TAFE Early Childhood and Education Courses	Enrolments	Certificate III in Early Childhood Education and Care	15,278	Diploma of Early Childhood Education and Care	3,544	Introduction to Early Childhood Education and Care Skill Set	320	Statement of Attainment in Early Childhood Education and Care		Develop Positive/Respectful Relationships with Children, Mentally/ Respond to Children/Young People at Risk and YHS	16	Statement of Attainment in Early Childhood Education and Care (Total Salary and WHS)	29	Other	42	<b>Total</b>	<b>19,249</b>	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	OTHER	Total	395	481	47	0	464	0	54	5	23	1,469
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<p><b>NQF Snapshot - Staffing Waivers</b></p> <p>Staffing Waivers primarily relate to qualification level, for example, when a service needs to replace an early childhood teacher and needs time to recruit.</p> <ul style="list-style-type: none"> <li>As at 1 April 2024, there are 9.1 per cent of services nationally with a staffing waiver.</li> </ul> <p><b>Proportion of services with a staffing waiver by service type</b></p> <table border="1"> <thead> <tr> <th>Service Type</th> <th>National %</th> </tr> </thead> <tbody> <tr> <td>Long Day Care</td> <td>16.1%</td> </tr> <tr> <td>Preschool/Kindergarten</td> <td>2.5%</td> </tr> <tr> <td>Outside School Hours care</td> <td>1.4%</td> </tr> <tr> <td>Family Day care</td> <td>0.7%</td> </tr> <tr> <td>Centre-based care (EG, Preschool/Kindergarten &amp; OSHC)</td> <td>9.4%</td> </tr> </tbody> </table> <p>Source: ACECQA NQF Snapshot Report Q1 2024, W1 and W9 data tables.</p> <p><b>Proportion of services with a staffing waiver by remoteness classification</b></p> <table border="1"> <thead> <tr> <th>ARIA Category</th> <th>Waiver %</th> </tr> </thead> <tbody> <tr> <td>Major Cities of Australia</td> <td>8.8%</td> </tr> <tr> <td>Inner Regional Australia</td> <td>9.5%</td> </tr> <tr> <td>Outer Regional Australia</td> <td>12.1%</td> </tr> <tr> <td>Remote Australia</td> <td>10.5%</td> </tr> <tr> <td>Very Remote Australia</td> <td>16.3%</td> </tr> </tbody> </table> <p>Source: ACECQA NQF Snapshot Report Q1 2024, W4 data table. Note: Most staffing waivers relate to temporary difficulties experienced by long day care service providers in meeting the early childhood teacher requirements stipulated under the Education and Care Services National Regulations, with very few relating to the educator-to-child ratio requirements stipulated under the Regulations.</p>				Service Type	National %	Long Day Care	16.1%	Preschool/Kindergarten	2.5%	Outside School Hours care	1.4%	Family Day care	0.7%	Centre-based care (EG, Preschool/Kindergarten & OSHC)	9.4%	ARIA Category	Waiver %	Major Cities of Australia	8.8%	Inner Regional Australia	9.5%	Outer Regional Australia	12.1%	Remote Australia	10.5%	Very Remote Australia	16.3%																				
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<p><b>Gap fee discount for ECEC workers</b></p> <ul style="list-style-type: none"> <li>Announced 17 December 2021</li> <li>Applicable from 24 January 2022</li> </ul> <p><b>Example</b></p> <ul style="list-style-type: none"> <li>Educator average family income is \$110,000 and her family's CCS rate is 71.67%.</li> <li>Child attends 3 days at the same service.</li> <li>Daily fee of \$106.50 for a 10-hour session, weekly fee comes to \$319.50.</li> <li>After CCS is applied, the service charges her a gap fee of \$90.51 per week.</li> <li>If the service offers a discount of \$20 per session of care, the remaining gap fee would be \$30.51 per week.</li> </ul>																																															

ECY - Hot Topics (June 2024) - Hot Topic Briefs

SB24-000188 – Attachment B

National Children's Education and Care Workforce Strategy Implementation Overview

Focus Area	Action	Term	Lead	Implementation Plan commitment and timing	Funding commitment	AG resourcing & responsibilities	Status as at May 2024	Accelerated delivery ahead of short, medium and long-term timeframes
Focus Area 1: Professional Recognition	FA1-1 Investigate options for improving workforce pay and conditions	Short-term By end 2024	State and Territory Governments ACT leading procurement and contract management	Commission research by end of 2022 on the existing body of evidence and examples of supportive settings across the sector.	\$300,000 in FY2022-23 States and territories to co-fund.	Nil	Commenced. EMM approved funding and project scope on 12 August 2022 The ACT nominated to lead the procurement for this joint project. Interim draft Report approved by EMM and provided to ACCC and PC Inquiries. Findings and research presented at National Workforce Forum. Papers circulated to AESOC and EMM in early 2024, with recommendations for noting, publishing and referral back to ECPG.	Yes: Research completed in November 2023 (ahead of 2024 deadline).
	FA1-2 Implement early childhood teacher registration in every state and territory	Short-term By end 2024	ACT, Northern Territory, Queensland and Tasmania	Develop jurisdictional roadmaps to enable early childhood teacher (ECT) registration.	N/A – delivered within existing resources.	Nil	Commenced: The ACT, NT, QLD and TAS are advancing early childhood teacher registration in line with their roadmaps. <ul style="list-style-type: none"> <li>ACT Voluntary ECT registration commenced on 1 April 2024.</li> <li>NT NT is working towards introducing mandatory ECT registration in 2026. The NT roadmap aims to establish policy settings and have legislative amendments completed by the end of 2024.</li> <li>QLD QLD is working toward voluntary ECT registration by the end of 2025.</li> <li>TAS Tasmania's 'Teacher Registration for Early Childhood Teachers Working in ECEC' project is now part of a broader review of the Teacher Registration Act, likely implementation 2026.</li> </ul>	No: Implementation of ECT Registration by end of 2024.  Given some jurisdictions are still working towards meeting FA1-2, WWG members agreed that the status of FA1-2 would be marked on the online dashboard as 'amber - action not on track' when the dashboard is updated in July 2024.

ECY - Hot Topics (June 2024) - Hot Topic Briefs

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Focus Area	Action	Term	Lead	Implementation Plan commitment and timing	Funding commitment	AG resourcing & responsibilities	Status as at May 2024	Accelerated delivery ahead of short, medium and long-term timeframes
	FA1-3 Enhance mentoring and induction support for new teachers	Short-term By end 2024	Australian Education Research Organisation (AERO)	Review existing supports and effective models by end 2023.	N/A – Delivered within existing resourcing.	Nil	Commenced. Overview of literature, findings and recommendations presented at National Workforce Forum Research has been completed to review the existing domestic and international evidence base for mentoring and induction support for new teachers.	Yes. Review completed before end 2023 (ahead of 2024 deadline). However, implementation of mentoring and induction supports to be considered by the WWG.
	FA1-4 Promote the importance of a career in children's education and care through a national communications campaign	Medium-term By end 2027	All governments Victoria to lead first phase of work (evaluation) NSW to lead phase two.	Evaluate recent campaigns and discuss at the workforce forum in December 2023. Following the Forum, form a cross-sector working group to consider feasibility and timing of national campaign.	N/A – No funding required for the first phase.	To be confirmed once project is initiated	Commenced. A review of recent children's education and care communications campaigns has been completed. Research to inform the feasibility of a multi-year national communications campaign has also completed.	No. The action was discussed at the 2023 Workforce Forum, a timeframe has not been set for the national campaign to commence. Options and timing are being considered by the WWG.
	FA1-5 Agree and consistently use contemporary terminology to describe the children's education and care sector, and its workforce	Medium-term By end 2027	All governments NSW to lead this process.	Form a cross-sector working group to review terminology for discussion at the workforce forum in December 2023. Following the Forum, progressive adoption of agreed terminology by governments and sector.	N/A – No funding required for the first phase.	Participation in the working group.	Commenced. – National sector stakeholders have been consulted on key issues relating to contemporary terminology to describe the children's education and care sector, and its workforce NSW obtained in principle endorsement from members regarding the proposed approach to implementing.	Yes. Consultation completed. NSW used the National Workforce Forum in November 2023 to outline the findings from the consultation with sector stakeholders and seek additional feedback. Implementation of changes to occur ahead of 2027 deadline.
	FA1-6 Develop options for a national registration system for educators who are not teachers	Medium-term By end 2027	Australian Children's Education and Care Quality Authority (ACECQA)	Once ECT registration is in place nationally, undertake research and cost-benefits analysis and identify options. Options to be discussed at 2027 Workforce Forum.	Funding requirements to be confirmed.	To be confirmed once project is initiated.	Consultation on this action not due to commence until 2026 or 2027, once early childhood teacher registration has been implemented in all states and territories.	No. There are limited options to bring this forward as this is dependent on achieving teacher registration in each state and territory (FA1-2).
Focus Area 2: Attraction and retention	FA2-1 Review and develop targeted programs to support studies and placements for specified groups of potential educators and teachers	Short-term By end 2024	All governments Australian Government leading procurement and contract management.	Form a cross-sector working group and commission a review of targeted programs to identify effective approaches by end 2022. Discuss findings at the workforce forum in December 2023.	\$500,000 (\$225,581 ex GST in FY2022-23 & \$270,362, ex GST in FY2023-24) Australian Government funding.	Leading procurement and contract management on behalf of all Governments.	Commenced. EMM approved funding and review scope on 12 August 2022. The Australian Government nominated to lead this joint project. Supplier engaged to undertake review of existing programs and deliver draft report on key findings.	Yes. Proposed to be completed by July 2024 (ahead of 2024 deadline).

ECY - Hot Topics (June 2024) - Hot Topic Briefs

SB24-00188 – Attachment B

Focus Area	Action	Term	Lead	Implementation Plan commitment and timing	Funding commitment	AG resourcing & responsibilities	Status as at May 2024	Accelerated delivery ahead of short, medium and long-term timeframes
	FA2-2 Review and streamline existing application and approval processes for overseas trained educators and teachers	Short-term By end 2024	Australian Government (Department of Education; Department of Employment and Workplace Relations (DEWR))	Review migration processes in 2022 to identify options to streamline and support overseas trained entrants to the sector workforce.	N/A – Delivered within existing resourcing.	Department officials are engaging with Department of Home Affairs and DEWR to review migration settings and processes.	Commenced. Migration initiatives announced at Jobs and Skills Summit on 1-2 September 22. A comprehensive review of Australia's migration system to ensure it better meets existing challenges and sets a clear direction for the coming decades has been completed.	Yes. Review of Australia's migration system interim report provided on 6 March 2023 and Final Migration Strategy released on 11 December 2023 (ahead of 2024 deadline). Updates to the relevant legislative instruments under the Migration Regulations to give effect to the transfer from AITSL to ACECQA to occur late 2024. Steward the implementation of any actions and recommendations from the strategy, A Migration System for Australia's Future in relation to the ECEC Workforce.
	FA2-3 Develop an accessible suite of resources highlighting the careers and career pathways available within the children's education and care sector	Short-term By end 2024	Australian Government (DEWR and National Careers Institute (NCI))	Publish suite of resources targeted to job seekers on the Jobs Hub website by end 2022. Highlight ECEC careers on the NCI Your Career webpage.	N/A - Initial work to be delivered within existing resourcing.	DEWR & NCI leading work to develop and publish resources/web content.	Commenced. Key resource comprising comprehensive information about the sector has been developed by DEWR and uploaded to the Jobs Hub website.	Yes: Initial resource/s published and promoted in 2022 (ahead of 2024 deadline). Additional resources developed and published on the Jobs Hub website as appropriate/required.
Focus Area 3: Leadership and Capability	FA3-1 Improved access to core professional development for educators and teachers	Short-term By end 2024	ACECQA	Induction to the National Quality Framework (NQF) e-learning modules published by end 2022. Work with other stakeholder to expand modules offered.	\$94,100 in FY2021/22 Australian Government funding.	Funded ACECQA to develop the NQF induction modules.	Commenced. Initial Induction to the NQF e-learning modules has been published on the ACECQA website, covering the National Quality Framework, the National Law and Regulations, and the National Quality Standard.  As required, ACECQA will continue to consider further modules, however consideration may need to be given to the future funding of this action depending on the level of work involved.	Yes: The first modules have already been released ahead of the delivery date identified in the Plan (end 2022).  An eLearning module covering the revised Approved Learning Frameworks was also published before the end of 2023.
	FA3-2 Improve access to an increasing range of micro-credentials for educators and teachers in areas of identified need	Medium-term By end 2027	All governments (QID leading implementation Micro-credentials to be led by education and training providers.	By the end of 2022, establish an expert advisory panel to review existing micro-credentials and provide recommendations to inform priorities for development. Education and training providers to develop micro-credentials in priority areas.	N/A - No funding required for the first phase.	To be confirmed: Possible role through \$18.5m pilot for development and delivery of micro-credentials in higher education. ECEC inclusion subject to grant process outcomes.	Commenced. A discussion paper was prepared in August 2023 with a Micro-credential Advisory Group (MAG) formed with representation from the Australian Government, Tasmania, Western Australia, New South Wales and South Australia. The Micro credential Advisory Group has met regularly throughout early 2024 to establish next steps.	Delivery timeframe to be considered by the WWG. The initial deliverable, of consulting at the National Workforce Forum was completed on 28 and 29 November 2023.

ECY - Hot Topics (June 2024) - Hot Topic Briefs

SB24-000188 – Attachment B

Focus Area	Action	Term	Lead	Implementation Plan commitment and timing	Funding commitment	AG resourcing & responsibilities	Status as at May 2024	Accelerated delivery ahead of short, medium and long-term timeframes
	FA3-3 Investigate options for a national professional practice network for educators and teachers	Short-term By end 2024	AERO	Review and analysis of existing professional practice networks by end 2024	N/A – Delivered within existing resourcing.	Nil	Commenced. Overview of literature, findings and recommendations presented at National Workforce Forum.  Research completed to review the existing domestic and international evidence base for professional practice networks for teachers and educators	Yes. Review in early 2024 (ahead of 2024 deadline) with implementation to be considered by the WWG.
Focus Area 4: Wellbeing	FA4-1 Investigate options for improved wellbeing supports	Short-term By end 2024	Sector peaks and employers	Investigate potential wellbeing supports. Discussion at each national workforce forum.	Nil	Nil	Commenced. Australian Childcare Alliance engaged TELUS Health to provide an Employee Assistance Program (EAP) at a heavily cost reduced rate to members.	No: As an ongoing measure to provide improved wellbeing supports this will be delivered across 2022-2024.
	FA4-2 Promote wellbeing resources for educators and teachers	Short-term By end 2024	Australian Government (Department of Health and Ageing (DHA))  Supported by service providers.	Consider funding options beyond June 2023. Service providers to provide protected time for educators to access the programs.	\$46 million is committed from 2021-22 to 2022-23 for delivery of Be You.	Be You is currently funded by DHA.  DHA established new funding agreement with Beyond Blue for four years from 2023-24, at current funding levels (\$23 million per year - \$92 million in total).	Commenced. Be You, the national mental health in education initiative delivered by Beyond Blue, in collaboration with Early Childhood Australia and headspace has been funded by the Australian Government until 2027	Yes. Renewal of Be You funding arrangements commenced March 2023 (ahead of 2024 deadline).
	FA4-3 Initiate and promote research monitoring the wellbeing of educators and teachers	Medium-term By end 2027	All governments Queensland leading procurement and contract management.	Commission research monitoring wellbeing of educators over time by the end of 2022. Discuss at national workforce forum in 2025.	\$450,000 All Jurisdictions to co-fund.	Co-funding 50% (\$250,000)	Commenced. EMM approved funding and review scope on 12 August 2022. The Queensland Government has nominated to lead this joint project. Research has been commissioned to monitor the wellbeing of educators and teachers. The draft literature review was submitted and presented at the national workforce forum in November 2023.	Yes. Draft review of existing literature was completed before the end of 2023, with feedback being considered from the WWG and national workforce forum. WWG is considering next steps.
Focus Area 5: Qualifications and career pathways	FAS-1 Review staffing and qualification requirements under the NQF, with a focus on early childhood teachers and outside school hours care educators	Medium-term By end 2027	All governments ACT leading procurement and contract management.	Agree on an approach to comprehensively review staffing and qualification requirements under the NQF by end 2022.	\$450,000 from the National Project Fund (NPF). (\$250,000 in FY 2022-23 and \$200,000 in FY 2023-24)	Contribute to the review process through the Workforce Working Group.	Commenced. ACECQA conducted a consultation process on behalf of all governments between May and August 2023, including a survey, public webinars, and engagement with key stakeholders.  Consultation findings and ongoing engagement with State and Territory governments informed the development of options, which have been endorsed by Education Ministers.	Yes. Recommendations from the Review were endorsed by Education Ministers in early 2024. Next steps to progress recommendations are being considered by the WWG. Including some additional sector consultation.  July 2024 – communications with stakeholders and the broader community to ensure their awareness of implementation and changes.  Proposed changes are expected to start to be implemented by December 2025.

ECY - Hot Topics (June 2024) - Hot Topic Briefs

SB24-000188 – Attachment B

Focus Area	Action	Term	Lead	Implementation Plan commitment and timing	Funding commitment	AG resourcing & responsibilities	Status as at May 2024	Accelerated delivery ahead of short, medium and long-term timeframes
	FA5-2 Review requirements for early childhood teaching programs under the National Quality Framework	Medium-term By end 2027	ACECQA	By end 2023 commence a review of requirements for early childhood teaching programs under the NQF.	Funding requirements to be confirmed.	To be confirmed once project is initiated	Commenced. November 2023, consultation undertaken at the Biennial National Workforce Forum.  December 2023, an online consultation survey was provided to key sector stakeholders. The survey closes in late January.	Yes. This action has commenced with bilateral meetings with key stakeholders will be held as requested from November 2023 – April 2024. Proposed timeline as follows: May – June 2024, options for change formally considered by ACECQA Board July 2024 – June 2025, communications with key stakeholders to ensure their awareness of any incoming changes Proposed changes are expected to be implemented by July 2025
	FA5-3 Continue the ongoing focus on the quality of vocational education and training (VET)	Short-term By end 2024	Australian Government (DEWR)	From January 2023 establish industry clusters to enhance sector engagement with the VET system. By the end of 2022, commission resources to support Recognition of Prior Learning (RPL) for experienced educators completing an ECEC Diploma.	Funded by DEWR	DEWR establishing Jobs and Skills Councils.  DEWR leading procurement and contract management for the development of a RPL toolkit.	Commenced. The Australian Healthcare and Hospitals Association selected for the Jobs and Skills Council for early Educators, Health and Human Services. Operational and delivery strategy to be provided for final approval.  DEWR has a contract in place for the development of a RPL toolkit.	Yes. Jobs and Skills Council is operational and RPL toolkit expected to be available ahead of 2024 deadline.
Focus Area 6: Data and Evidence	FA6-1 Undertake a national workforce census at least every three years	Short-term By end 2024	Australian Government (Department of Education)	Before the end of 2022, establish a cross sector working group to consult on data collection options to determine the most efficient and effective data collections options.	\$225,000 in FY 2022/23 Australian Government funding.	Procurement and contract management of a review of data collection options.	Commenced. The Australian Government has a contract in place with ORIMA to undertake the review of data collection requirements.  The National Workforce Census will be undertaken at least every 3 years.	Yes. Data collection will take place in April to June 2024 (ahead of end of 2024 deadline).
	FA6-2 Develop options for a live national workforce database	Long-term By end 2031	ACECQA	By the end of 2025, undertake research and cost-benefit analysis and discuss at the 2025 national workforce forum.	Funding requirements to be confirmed.	To be confirmed once project is initiated	Not due to commence until 2025.	Yes. As a long-term action, this is proposed to be delivered ahead of schedule with a commitment to commence this in 2025.  This action is dependent on achieving teacher registration (FA1-2) and decisions on a registration system for educators (FA1-6).

ECY - Hot Topics (June 2024) - Hot Topic Briefs

SB24-000188 – Attachment B

Focus Area	Action	Term	Lead	Implementation Plan commitment and timing	Funding commitment	AG resourcing & responsibilities	Status as at May 2024	Accelerated delivery ahead of short, medium and long-term timeframes
	FA6-3 Commit to an evaluation plan for the national workforce strategy	Short-term By end 2024	All governments Australian Government to lead procurement and contract management.	By the end of 2022, governments will establish an approach for the ongoing monitoring, reporting and evaluation of the national workforce strategy.	\$450,00 from the NPF. (\$250,000 in FY 2022-23 and \$200,000 in FY 2023-24)	Leading procurement and contract management on behalf of all Governments.	<p>July 23: Online dashboard published.</p> <p>July 24: Online dashboard will be refreshed.</p> <p>Commenced. AESOC approved NPF funding on 29 July 2022.</p> <p>The Australian Government has nominated to lead this joint project.</p> <p>ACECQA has been contracted to undertake first phase of monitoring and evaluation.</p> <p>In November 2023, on behalf of all governments and sector stakeholders, ACECQA hosted the first Biennial National Workforce Forum, a key component of the strategy.</p> <p>Guests over the two days included representatives from all nine governments, peak bodies, unions, Australia's largest children's education and care providers, service leaders and educators, research organisations and teaching institutions.</p>	<p>Yes. Governments have decided on the approach to monitoring and evaluation in advance of the deadline in the Plan (end 2022).</p> <p>It has been agreed by EMM that ECPG will oversight this work. AESOC agreed that ACECQA be appointed to coordinate the first phase of monitoring and evaluation of Strategy implementation.</p>



**Issue:** Inclusion Support Program  
**MYEFO Pg No** 234  
**PAES Pg No** 29 and 30  
**PBS** 18, 22 and 30  
**Contact:** Kylie Crane  
 Ph: s 22  
 Deputy Secretary, Early Childhood and Youth

### Inclusion Support Program Budget

Support type	2022–23	2023–24	2024–25	2025–26	2026–27
	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)
IDF Subsidy: – IDF Additional Educator Subsidy – IDF Subsidy Immediate/Time Limited Support – IDF Family Day Care Top Up	\$121.7 <sup>1</sup>	\$165.2 <sup>3</sup>	\$183.5 <sup>4</sup>	\$85.2	\$85.2
IDF Innovative Solutions Support	\$6.4	\$3.4	\$6.4	\$6.5	\$6.5
Specialist Equipment Library	\$0.1	\$0.1	\$0.1	\$0.2	\$0.2
ISP Evaluation and Portal Access	\$5.8 <sup>2</sup>	\$1.0	\$1.0	\$1.1	\$1.1
ISP Providers	\$40.1	\$40.1	\$40.1	\$40.3	\$40.3
<b>Total</b>	<b>\$174.1</b>	<b>\$209.8</b>	<b>\$231.1</b>	<b>\$133.3</b>	<b>\$133.3</b>

<sup>1</sup> This includes \$41.4 million Movement of Funds (MoF) from 2021–22.

<sup>2</sup> This includes \$4.77 million for ISP Portal Enhancements (sourced from the 2021–22 MoF).

<sup>3</sup> This includes \$3.3m MoF from 2022-23, \$3.0 million re-allocated from Innovative Solutions and approved additional funds of \$73.8 million. Source: Pages 203 and 234 Budget 2023–24 MYEFO publication <https://budget.gov.au/content/myefo/download/myefo2023%E2%80%9324.pdf>

<sup>4</sup> An additional \$98.4m provided in 2024-25 as part of the 2024 budget process

**Note:** Funding allocations for ISP are not specified in the PBS – they are contained within the total amounts reported for Program 1.1 – Support for the Child Care System.

### Key Points

- The Inclusion Support Program (ISP) is a **\$133 million a year** program to build capacity and capability of approved early childhood education and care (ECEC) services to support the inclusion of children with additional needs, particularly those with a disability.
- Additional supplementation of \$98.4 million was received in the 2024–25 budget measure to meet the anticipated demand for the Inclusion Development Fund (IDF) Subsidy (additional educators) based on current growth.
- This follows an additional \$73.8 million received through MYEFO 2023–24, also provided to meet increased demand.

- Measures were introduced on 11 January 2024 to ensure the program remained fiscally sustainable and provided equity for those families requiring support the most in a time of high demand.
  - The measures were lifted on 10 April 2024 and services can apply for assistance up until 30 June 2025.
- Alongside the recent 2023 review of the program, there are several important reviews (the Productivity Commission (PC) Early Childhood Education and Care Inquiry) that will inform and shape the future direction of ISP once completed.
- The review of the program found that while the policy objectives of ISP are broadly appropriate, its current design and delivery does not achieve its objectives in a systemic way with significant inclusion gaps remaining.

#### ***Increased Demand for ISP***

- The first half of this year has seen an increase in the number of applications received for funding from the IDF Subsidy.
- Based on modelling conducted by ORIMA, it is anticipated that demand for ISP will be 13% above demand over the full 2023–24 financial year.

#### ***ISP Future***

- The future direction of the ISP is currently being considered to ensure it is sustainable and can deliver against its objectives in line with findings from several reviews.
- Contracts for Inclusion Agencies (IAs) and the IDFM expire on 30 September 2025 (end of service 30 June 2025, then delivery of final reports and financial acquittals by September 2025).

#### **Background**

- In 2022–23, around 6,080 services and 21,000 children received support under the ISP.
- Available data indicates between July 2023 and December 2023 around 5,700 services and 19,000 children have received support.
- At MYEFO 2023–24, to address increased demand, ISP received **additional funding of \$73.8 million**.
- The department currently funds 7 IAs to work with eligible ECEC services in their jurisdiction to build capacity and capability to provide and embed inclusive practice. Where inclusion barriers are identified that cannot be resolved through IA support alone, additional support

- may be provided via the IDF, Specialist Equipment Library and/or IDF Innovative Solutions.
- IA support includes strategies, equipment, Strategic Inclusion Plan (SIP) development and IDF application.
  - The department has engaged KU Children’s Services, as the IDFM to provide nationally consistent and equitable management of the IDF through initial assessment of applications for funding.
  - The Additional Educator Subsidy provides \$23 per hour to centre-based services to employ an additional educator. This increases the educator to child ratio to support the inclusion of additional needs child (or children). The Additional Educator Subsidy can be approved for up to 25 hours per week (for a single child) and up to 40 hours per week for more than one child.

## Media

- ***ECEC sector responds to Budget 2024/25 The Sector, 15 May 2024***

This article outlines that the Government used the Budget to respond to calls by many in the sector to bolster inclusion support, responding to significant demand, with an additional \$98.4 million allocated in the Budget for the Inclusion Support Program (ISP) to help ECEC services increase their capacity to support the inclusion of children with additional needs in the 2024–25 financial year.

Continuation of ISP funding to 30 June 2025 is “a welcome feature of the Budget, providing certainty for the early learning sector while the future shape of inclusion policy is being determined, in conjunction with National Disability Insurance Scheme reforms,” ECA CEO Samantha Page said.

Date Last Cleared	17 May 2024
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**Issue:** Regional Access  
**Contact:** Kylie Crane  
 Ph: s 22  
 Deputy Secretary, Early Childhood and Youth

### Key Points

- The Australian Government is aware of the additional difficulty often faced by families living in regional and remote areas when looking for suitable early childhood education and care (ECEC) services and delivers a range of supports to help families access the services they need.
- Approximately 25% (3,674) of approved ECEC services (not including In Home Care (IHC)) are located outside major cities.
- A range of key programs support the delivery of ECEC in regional and remote areas.
  - Community Child Care Fund (CCCF), which supports services in areas of limited supply.
  - The IHC and Connected Beginnings programs support access for geographically isolated households and First Nations children.
- The Australian Government has also tasked the Productivity Commission (PC) as part of its inquiry into ECEC with considering ways to address supply of ECEC in what the Australian Competition and Consumer Commission term 'underserved' and unserved markets.

### Work with States and Territories

- The Australian Government and state and territory governments have a shared responsibility for improving access to ECEC in regional areas of Australia. These roles are distinct but complementary.
  - States and territory governments have their own funding programs and initiatives to support access to ECEC and are responsible for approving and regulating ECEC services under the National Quality Framework (NQF).
  - State governments are responsible for regional planning and growth. Local governments also plan, fund and deliver ECEC.
- One of the constraints on supply is attracting and retaining the qualified workforce ECEC services require. All jurisdictions are working collaboratively on a long-term national ECEC Vision and the National Children's Education and Care Workforce Strategy to increase access to ECEC in regional areas.

## **Key Programs and Initiatives**

### Access and Affordability

- The CCCF supports around 900 services to reduce barriers to access, particularly for children and families in rural and remote communities experiencing disadvantage, First Nations communities, and where services are in limited supply.
- The CCCF will deliver approximately \$614.7 million over 4 years (2024–25 to 2027–28, including Connected Beginnings), with around 70% of allocated funding over 2024–25 supporting services in regional and remote locations.<sup>1</sup>
- Under the CCCF Establishing Childcare in Limited Supply Areas grant opportunity, \$16 million is being provided to fund 47 new services, including 13 new Centre Based Day Care services and 34 Family Day Care locations, across 38 communities in priority regional and remote parts of the country.
  - Funding is allocated over 2 years (2023–24 to 2024–25).
- The CCCF Round 4 competitive grant opportunity will provide \$84 million over 2 years from July 2024 to support ECEC services, particularly those in currently under-served or unserved regional, rural and remote areas.
  - Applications closed 8 March 2024 and outcomes will be announced in June 2024.
- Since 4 April 2023, the Government has announced 8 new CCCF Restricted Expansion grants to First Nations led organisations and grant negotiations are underway with organisations in another 4 sites.
  - The \$29.9 million allocated to this Closing the Gap measure over 4 years from 2021–22 supports organisations to establish new services in remote and very remote areas where there is little or no ECEC service available.
- The IHC program provides high quality flexible ECEC to families for whom other approved ECEC options are not available or appropriate due to their unique circumstances including where families are geographically isolated from child care, particularly in rural or remote locations.

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<sup>1</sup> Note: around 70 per cent has been calculated based on known system commitments over 2024-25. This is not 70 per cent of the total appropriation/budget, as this includes other components that cannot be seen in the grant management system.

- As at 31 December 2023, 960 families were using IHC and approximately 25% of these families were geographically isolated.<sup>2</sup>
- IHC Support Agencies are working with IHC services, Registered Training Organisations (RTOs), and employment services to promote IHC as a career to potential educators.
- Further information on key programs is at [Attachment A](#).
- The Government also supports families by reducing the cost of ECEC through the Child Care Subsidy (CCS), which targets support to families who need it most.
- Since July 2023, the Government lifted the maximum CCS percentage to 90% for families earning under \$80,000 and has increased subsidy rates for families earning less than \$530,000.
  - The changes have benefited around 1.2 million families, including 265,000 families in regional and remote Australia, with no families worse off.
- Since 10 July 2023, the Government has been providing a base level of 36 subsidised care hours per fortnight for First Nations children, regardless of their family's activity. This will further support First Nations families residing in remote or regional communities.

#### Regional University Study Hubs

- Regional University Study Hubs are community-based organisations in regional and remote locations that provide facilities and academic skills/wellbeing support for students studying with tertiary providers. This will benefit ECEC students and help ensure they are supported to succeed in obtaining tertiary educator qualifications.
- On 25 March 2024, Minister Clare announced 12 Regional University Study Hubs, funded in response to the Australian Universities Accord Interim Report, including funding to support 2 existing Country Universities Centres located in New South Wales. The 12 newly funded Hubs will take the total number of Hubs to 46, building on the 34 Hubs already previously funded.

#### Indigenous, Regional and Low SES Attainment Fund (IRLSAF)

- The IRLSAF funds five programs, which have the potential to provide support for regional students studying ECEC tertiary courses and/or universities in remote and regional areas.

<sup>2</sup> IHC Support data NB: Geographically isolated families are families who are geographically isolated from ECEC services, however, families in other cohorts may also be in regional, rural or remote locations.

1. The **Regional Partnerships Project Pool Program** funds university and Regional University Study Hub-led higher education outreach projects in regional and remote Australia. **\$7.2 million over 4 years** (2020–21 to 2023–24) has been allocated.
2. The **Higher Education Participation and Partnerships Program** provides funding for universities to support underrepresented students, including regional and remote. In **2024, \$157.1 million** has been allocated.
3. The **National Priorities Pool Program** provides funding to Table A universities for research projects and trial initiatives to inform equity policy and practices.
4. The Regional Loading Program provides additional funding to eligible higher education providers to assist in offsetting higher operating costs of regional campuses in comparison with major city campuses. In 2024, \$86.1 million was provided through the program.
5. The Enabling Loading Program (ELP) is paid to eligible institutions in lieu of a student contribution for students enrolled in a Commonwealth supported enabling place. In 2024, \$38.1 million will be provided through ELP.

ECEC Workforce

- The ECEC sector faces challenges in attracting and retaining the qualified workforce it requires.
- Based on staffing waiver data, workforce shortages are most acute outside of major metropolitan regions.
- The percentage of services holding a temporary waiver for one or more of the staffing requirements under the NQF in outer regional, remote and very remote areas, is 3.8% higher than in inner regional and major cities.<sup>3</sup>

*Temporary staffing waivers by remoteness classification*

Classification	Very Remote Australia	Outer Regional Australia	Remote Australia	Inner Regional Australia	Major Cities of Australia	
% of temp. staffing waivers	16.3%	12.1%	10.5%	9.5%	8.8%	<b>Difference</b>
<b>Average</b>	13.0%			9.2		<b>3.8</b>

<sup>3</sup> NQF Snapshot Q4 2023 ([acecqa.gov.au](https://www.acecqa.gov.au)) W4: Proportion of services with a waiver by remoteness classification and waiver category\*

- Most staffing waivers relate to temporary difficulties experienced by long day care service providers in meeting the early childhood teacher requirements stipulated under the Education and Care Services National Regulations, with very few relating to the educator-to-child ratio requirements stipulated under the Regulations.
- The National Children's Education and Care Workforce Strategy (the Strategy) is an important Government initiative, which includes 21 actions to be delivered in the short, medium and long-term, to support the recruitment and retention of the ECEC workforce.
- To implement Focus Area 2-1 of the Strategy, the Australian Government has commissioned a review of targeted programs that support studies and placements of potential educators and teachers in regional, rural and remote areas.
- The findings from this review will be available in mid-2024 and will inform the development of future targeted programs.

#### Productivity Commission Inquiry into ECEC

- The PC has been asked by the Government to consider the impact on access to quality ECEC, including by remoteness and whether different settings are required based on the location of services or family circumstances.
- The PC's draft report included a finding that ECEC availability tends to be poorer in regional and remote areas, and a recommendation that additional funding be provided to support universal access in persistently thin markets.

#### Australian Competition and Consumer Commission (ACCC) Inquiry

- The ACCC Childcare Price Inquiry (the Inquiry) into the market for ECEC services released its final report on 29 January 2024.
- The final report outlines 8 recommendations and 31 findings.
- Key findings include:
  - Child care affordability has improved following the July 2023 CCS changes.
  - A 'one size fits all' approach to regulation is unlikely to meet government and community expectations for all markets.
- The Government will consider the ACCC's report alongside the PC inquiry into ECEC, which is due to be finalised by 30 June 2024.



## Media

- [\*\*\*Child care is affordable and guaranteed in Finland, but a 'ridiculous struggle' in Australia, ABC News, 13 March 2024\*\*\*](#)  
Outlines difficulties accessing ECEC in Broome, WA and touts Finnish model.
- [\*\*\*Childcare is like a game of Tetris for this teacher and mother of two in regional Australia, The Guardian, 24 October 2023\*\*\*](#)  
Loddon Campaspe region in northern Victoria, is what the Mitchell Institute at Victoria University calls a “childcare desert”: where there are at least three children under five for every available ECEC place.

## Attachments

[Attachment A](#) - Further Information on Key Programs and Initiatives

Date Last Cleared	24 May 2024
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## Attachment A

### ***Further Information on Key Programs and Initiatives***

#### ***Community Child Care Fund Open Competitive (CCCF)***

- The CCCF grants program helps services address barriers to ECEC participation, particularly in disadvantaged, regional and remote communities.
- The CCCF program, including Connected Beginnings, funds around 900 services across Australia, to ensure families have access to quality care where the market might not otherwise support service provision.
- Funding awarded through a CCCF open competitive round may be used by a service for approved activities that support the viability and sustainability of their service, address community level barriers to child care participation and capital works to modify, renovate, extend early childhood education and care facilities.

#### ***Community Child Care Fund Restricted (CCCFR)***

- CCCFR grants support approximately 150 services, mainly in regional, remote or very remote areas.
- The grant is currently under review to determine how well it is meeting its stated goals, which are to:
  - improve early childhood development outcomes for children experiencing disadvantage; and
  - increase workforce participation by vulnerable and disadvantaged families.
- The review's final report is expected to be provided to the department by mid-2024.

#### ***CCCFR Expansion***

- In August 2021, the Government announced an additional \$29.9 million over four years, to establish new CCCFR services, in mainly remote locations where there are little or no ECEC services available.
- The funding is part of the Government's commitment to achieving Closing the Gap targets.
- The Government has announced 8 grants to First Nations led organisations.

- Once all sites are established, they will provide access to high quality ECEC for more than 300 children per year.
  1. Puuya Foundation in Lockhart River, Qld
  2. Napranum Aboriginal Land Council in Napranum, Qld
  3. Wunan Foundation in Kununurra, WA
  4. Julalikari Council Aboriginal Corporation in Tennant Creek, NT
  5. Central Australian Aboriginal Congress, Alice Springs, NT
  6. Central Desert Regional Council, Ti Tree, NT
  7. Bundiyarra Aboriginal Community Corporation, Geraldton, WA
  8. Kowanyama Aboriginal Shire Council, Kowanyama, Qld
- Grant negotiations are underway with organisations in another four sites.

### ***Connected Beginnings***

- Connected Beginnings draws upon the strength and knowledge of First Nations' communities to increase children and families' engagement with health and ECEC.
- Connected Beginnings works closely with First Nations communities to identify early childhood priorities for change, and to lift participation in quality and culturally appropriate ECEC services and programs to improve school readiness and developmental outcomes for children.
- The program currently funds projects in 45 communities across Australia including metropolitan, regional, remote and very remote locations, and is expanding to 50 sites by 2024–25.
- The program supports around 21,900 First Nations children aged 0–5. Once expanded, around 20 per cent of First Nations children will be living in a community with Connected Beginnings.

### ***In Home Care (IHC) program***

- IHC provides high quality, flexible ECEC to families for whom other approved ECEC options are not available or appropriate due to their unique circumstances. Families using IHC work non-standard or variable hours, have complex needs, or are geographically isolated, such as those in regional and remote communities.
- \$5 million each year funds five IHC Support Agencies. They assess families' suitability for IHC, manage the delivery of IHC, and recommend the allocation of IHC places to approved services.

- CCS for IHC is paid per family, is means tested, and is subject to the CCS activity test, with a family hourly rate cap of \$37.34. In addition, eligible families using IHC may receive the Additional Child Care Subsidy.
- In 2023, an independent external review of IHC was commissioned, with a final report published in November 2023.
- The report found the IHC partially met its objective. However, the report stated the program was hampered by workforce shortages, affordability, and access issues. It recommended the program is tailored to serve the three cohorts it seeks to serve.

### ***StartingBlocks Website***

- Families can access the information they need to make choices about their children's needs, through *StartingBlocks.gov.au*, which is hosted by the Australian Children's Education and Care Quality Authority (ACECQA).
- The StartingBlocks website allows families to search for information on services in their area, including fees, inclusions vacancies and quality ratings.
- Using StartingBlocks 'Find Child Care' function, families are able to locate care options which are accessible to them and see information about vacancies at services which are of interest.
  - The search engine allows families to find services with vacancies in a 50 km radius of the selected suburb. Vacancy information includes age ranges and available days. The search can be narrowed to include service type and quality rating.
  - Vacancy data is provided to ACECQA through daily data files from Services Australia, with the Starting Blocks website updated five times a week (Sunday to Thursday).
- The StartingBlocks 'Child Care Subsidy Calculator' allows families to calculate their current CCS rates and fees. The Calculator has been updated to reflect CCS rates from 10 July 2023.
- A new version of the StartingBlocks website was launched on 20 March 2024, with additional features and improved functionality.
  - Alongside enhancements to the design and accessibility features of the website, additional information has been added to enable families to see average year-on-year fee increases,

as well as publication of some revenue and profit information for large for-profit providers.

- This reflects the Government's commitment to improving transparency in the ECEC sector.
- Waitlists are kept by individual services but are not considered reliable data sources, because parents can be on more than one list at the same time. Waitlists are not shown on StartingBlocks.