

2025 Early Childcare Education and Care Federal Conference Report

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The Early Childhood Education and Care (ECEC) Portfolio has addressed the motions passed at the 2024 Federal Conference, through consultation with the federal government departments and ministers and collaboration with other stakeholders including the Department of Education In Home Care Team, Social Services, Attorney General, The Parenthood, Thrive by Five and The Australian Children's Education & Care Quality Authority (ACECQA).

Early Childhood Education and Care issues continue to be raised at ICPA Federal Conferences and these recurring issues remain a focus of the dedicated effort by Federal Council.

2024 saw the culmination of some major research in the ECEC. The final Productivity Commission report <u>A</u> path to universal early childhood education and care was published in September 2024. Government is currently considering and planning implementation around this report while also considering findings from the <u>Australian Competition and Consumer Commission child care price inquiry</u> and the Jobs and Skills Australia, Capacity Study, <u>The Future of the Early Childhood Education Profession Early Childhood Education and Care Workforce Capacity Study</u> which delivered 28 findings and 41 recommendations.

Submissions completed

Supporting Strong and Sustainable Regions Review of Regional Migration Settings June 2024 Wage Justice for Early Childhood Education and Care Workers (Special Account) Bill October 2024 In Home Care Guidelines Review February 2025 Inquiry into the Early Childhood Education and Care (Three Day Guarantee) Bill February 2025 National Child Safety Review June 2025

Federal Council has continued to engage with: Australian Children's Education & Care Quality Authority (ACECQA) for the In Home Care Quality and Safety Project Minderoo Foundation Thrive by Five Rural and Remote Group member and supporter The Parenthood - Access for Every Child Coalition member and contributor.

Release of Australian Early Development Census (AECD) Findings

The AECD data, released in June 2025, paints a disappointing picture of falling developmental achievements of all children. While 54% of urban children are developmentally on track in all five domains tested, only 43% of remote and very remote children are developmentally on track in all five areas – physical health and wellbeing, social competence, emotional maturity, language and cognitive skills, communication skills and general knowledge.

Assistance for Isolated Children (AIC) for pre compulsory geographically isolated (GI) distance education(DE).

Historically, responses from Minister for Social Services, the Hon Amanda Rishworth MP, have focused on the federal government funding the States to provide the pre-compulsory education therefore, they should support the geographically isolated students with that funding. It is clear the federal Department of Education or Department of Social Services have no appetite for delivering the AIC to pre compulsory geographically isolated (GI) distance education (DE). Federal Council are hopeful that the new Minister for Social Services, the Hon Tanya Plibersek MP will be more open to our requests and needs around the AIC. Federal Council enjoys and very much values a constructive relationship with the federal Education Department and will continue seeking solutions for this issue.



Universal access to ECEC for rural and remote children

The Australian Government is replacing the Child Care Subsidy (CCS) Activity Test from January 2026 to guarantee three days of subsidised ECEC each week for children with no activity test. From January 2026, all families will be eligible for at least 72 hours of subsidised ECEC per fortnight (three days per week), regardless of their work status. This Three Day Guarantee is the beginning of universal access to ECEC and help to ensure more children are developmentally school-ready.

In Home Care (IHC)

Following the <u>full review of IHC</u>, published in 2023 it has seen what seems like very small reforms on the surface. The IHC review highlighted to the Education Department that there was no mechanism to monitor or ensure quality of care or safety of children and carers within the IHC program. The Australian Children's Education & Care Quality Authority (ACECQA) were commissioned to create an IHC Quality and Safety Framework to support IHC providers and educators in meeting their obligations with regard to the safety of children in their care. The framework is complete and a set of operational standards are in pilot for the final stages of development. A series of training webinars will guide IHC educators in meeting these standards. As a result of the Quality and Safety Framework and training, a permanent exemption for the Certificate III qualification requirement has been introduced for educators working in remote and very remote parts of Australia with support of the IHC Service and the ACECQA webinars. ICPA members must be vigilant in letting Federal Council know if this exemption is not being offered because the funding model that the providers operate under, through the Child Care Subsidy funding model, makes it very difficult to implement the required support. The Department of Education and Department of Social Services need to be held to account for funding this provision appropriately.

It is not clear at this stage how geographically isolated (GI) families accessing ECEC via IHC will be catered for in receiving the Three Day Guarantee. The Early Education Service Delivery Price project (SDP) will provide a data-driven understanding of the reasonable costs of quality ECEC service delivery and following that research project, a plan will be devised around delivery of IHC within the Three Day Guarantee. The SDP project will take up to two years as the Department of Education works with a technical expert to complete the project, which will be underpinned by a significant data collection and sector consultation piece. The project will ensure the Government can understand the reasonable cost for providers to deliver quality ECEC services throughout Australia – including where costs vary by cohort or location. The Government has committed \$10.4 million in 2024-25 for the Early Education Service Delivery Price project. Federal Council hold some concern that this project will not deliver meaning data around the cost of IHC due to the limited number of families accessing IHC and implore the Minister for Early Childhood Education to ensure there is useful costings data to inform the future of IHC.

In Home Care availability for supervision of distance education home school rooms has been raised at every opportunity. In February 2025 the Federal Council contributed to a review of the IHC Guidelines and the Inquiry into the Early Childhood Education and Care (Three Day Guarantee) Bill submission which both suggested that the words *'except where care is being provided in a remote or very remote location'* could provide the flexibility required in these settings.

Funding to meet operational costs of rural and remote ECEC centres

In the 2024-45 Mid Year Economic and Fiscal Outlook (MYEFO) the Government announced their plan to build a universal ECEC system by expanding access to quality ECEC across Australia. The Australian Government will invest \$1 billion to establish the Building Early Education Fund to build ECEC centres. The Fund, which will build and expand around 160 ECEC centres in areas of need, including the outer suburbs and regional Australia, includes:



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- \$500 million in targeted capital grant rounds focused on quality not-for-profit ECEC providers and state and local governments to establish new services and increase the capacity of existing ECEC services. Grants will be targeted to priority and underserved markets, including regional locations and the outer-suburbs. Where possible, services will be located on or near school sites.
- \$500 million provisioned for future Commonwealth investment in owning and leasing a portfolio of early childhood education and care centres to increase the supply of services, with \$2.3 million over two years from 2024-25 to undertake a business case to inform final design.

These extra ECEC services are needed to underpin a future universal early education and care system recommended by The Productivity Commission in its inquiry into Australia's ECEC system, showing an undersupply of ECEC places was a barrier to ECEC access for families across Australia. It recommended the Commonwealth invest to address these service gaps, including through grant funding and by retaining ownership of services.

The Fund is expected to support around 160 new or expanded ECEC services. It is estimated that this investment will result in around 12,000 more ECEC places for Australian families in areas of need.

Priority areas will be determined by analysis of a variety of sources, including data on supply, need and disadvantage. The Government will work with state, territory and local governments and with communities to inform identification of locations. More information on locations will be made available in the coming months.

ECEC Teacher Pay Parity

A reply from the Minister for ECEC, Dr Anne Aly MP, in response to correspondence sent to Senator the Hon Murry Watt, Minister for Employment and Workplace Relations in September, detailed the Government's commitment to improving retention rates by supporting a wage increase for the ECEC workforce via the Worker Retention Payment and by strengthening the ability and capacity for the Fair Work Commission (FWC), to order pay increases for workers through the Secure Jobs, Better Pay Act 2022. This process has facilitated a 4.6% pay rise from July 2022, a 5.75% pay rise from July 2023, and a 3.75% pay rise from July 2024.

The Worker Retention Payment grant program has \$3.6 billion available for the Early Childhood Education and Care worker retention payment to support a 15% wage increase for ECEC workers, whose employer meets the criteria, over two years from December 2024. This small wage increase does very little in closing the pay parity gap, however, might retain some ECEC staff in their roles while further work on wage increases can be completed. Through 2023/24 the Fair Work Commission (FWC) has completed a <u>gender</u> <u>undervaluation priority awards review</u> which found that historically the work of child carers engaged under the Children's Services Award 2010 (Children's Award) has been subject to gender-based undervaluation and the data suggests this undervaluation persists. The FWC concluded that variation to the minimum wage rates is justified and necessary. The Fair Work Commission has announced a 3.5% increase to the National Minimum Wage and minimum award rates to begin on or after July 1, 2025. The concern is that, while fees are capped in services receiving the Worker Retention Payment, it is assumed that once that grant program is closed, fees will have to rise to cover the increase in award wages for ECEC workers.

The Government received the final Productivity Commissions inquiry into ECEC report in September 2024, and continue to consider the findings and recommendations alongside other key reviews, including the Competition and Consumer Commission's final report and the Jobs and Skills Australia's ECEC Capacity Study final report.



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Throughout 2024, the Government commissioned a review of targeted programs that support studies and placements of potential educators and teachers in regional, rural, and remote areas as part of the <u>National</u> <u>Children's Education and Care Workforce Strategy, Shaping Our Future</u>. This is a 10 year national workforce strategy partnership between all governments. A key action within the Strategy involves reviewing and streamlining international qualifications for the purposes of skilled migration to create more opportunities for overseas-trained educators and teachers to enter the sector. This action is led by the Australian Children's Education and Care Quality Authority (ACECQA). An <u>implementation tracker</u> showing the progress of this ten year strategy shows it is mostly on target.

Working Holiday Maker (WHM) Visa Employment List

The addition of governess/home tutor/nanny and au pairs to the Working Holiday Visa (subclass 417), of the WHM program as eligible employment under the list 'Plant and Animal Cultivation in Regional Australia' was included in correspondence to the Minister for Immigration, Citizenship and Multicultural Affairs the Hon Tony Burke MP in September 2024.

Following our most recent meetings in Canberra, Senator Fatima Payman, a Senator for Western Australia wrote, on behalf of ICPA (Aust), to the Assistant Minister for Immigration, the Hon Matt Thistlethwaite MP regarding specified work requirements under the WHM program with a detailed reply received from the Minister late in March 2025. Of note, Assistant Minister Thistlethwaite explained the exemption introduced on 1 January 2024, allowing WHMs to work for the same employer in certain occupations, including teachers, for more than six months without seeking permission, providing work in any one location does not exceed six months. The reply from Assistant Minister Thistlethwaite referred to the Australian Government's Migration Strategy which aims to evaluate regional migration settings and the WHM program. Key actions from the Strategy are to consider how best to ensure migration supports development objectives in regional Australia while protecting migrant workers from the risk of exploitation. Again ICPA (Aust) value Senator Payman's support and advocacy with this issue.

An ICPA (Aust) submission was lodged to the Department of Home Affairs, <u>Supporting Strong and</u> <u>Sustainable Regions Review of Regional Migration Settings Discussion Paper in June 2024</u> which contributed to the <u>The Australian Government Migration Strategy</u>.

In raising this issue in delegation meetings in February 2025 a suggestion was made to try a different type of visa to achieve more skilled in home carers available for rural and remote ECEC. The addition of in home care workers to the core skills list under the Skills in Demand visa (subclass 482) might be an achievable way to bring more trained ECEC workers to Australia.

National Working with Children Check (WWCC)

Federal Council have continued to advocate to the Attorney General for a national WWCC and while the Federal Government and the ECEC sector see the definite merits, excessively slow progress has resulted in children being further at risk due to the current disjointed approach. ICPA (Aust) lodged a submission outlining nationwide issues with the current WWCC to the National Child Safety Review in June 2025.

The motions presented in 2024 and 2025 continue to highlight longstanding issues that rural and remote families face when accessing early childhood education and care and the AECD data shows the dire need for action and some quick wins for rural and remote children and families to prevent further declines in children's development in the years before school. ICPA (Aust) continues to engage with key ECEC stakeholders and raise awareness of these issues at every opportunity.