



# Progress Report

## 2023 Federal Conference Motions

### Early Childhood Education and Care Portfolio

Compiled March 2024

The Early Childhood Education and Care (ECEC) Portfolio has addressed the motions tabled at the 2023 Federal Conference, through consultation with the federal government departments and ministers and collaboration with other stakeholders including the Department of Education, Early Childhood, Social Services, Attorney General and Employment and Workplace Relations, Immigration and Citizenship and Multicultural Affairs, The Parenthood, Thrive by Five and Grain Growers. Correspondence has been sent to relevant ministers and issues raised through our delegation and departmental meetings. The motions presented continue to highlight longstanding issues that rural and remote families face when accessing early childhood education and care.

The Federal Department Early Childhood Education and Care has continued with the comprehensive review of all early childhood programs and systems in the process of developing an Early Years Strategy. The process of developing the Strategy is outlined below.

#### **Previous consultation and engagement**

The government has consulted widely to develop the Strategy. This has included:

- The [National Early Years Summit](#) held on 17 February 2023 at Australian Parliament House, bringing together over 100 delegates.
- A pulse survey in early 2023, which received over 2,240 responses.
- A [discussion paper](#), which received over 350 [public submissions](#).
- 39 roundtables held in person and online, with over 750 participants.
- Consultation with 115 children aged 3 to 5 years about what matters most to them.

[The Early Years Strategy Consultation Report 2023](#) provides a summary of what we heard during the consultation process to inform the draft Early Years Strategy.

#### **Advisory Panel**

An expert 14-member [Early Years Strategy Advisory Panel](#) was established to provide advice to government to inform the development of the Strategy. Members of the Advisory Panel work collaboratively to share their insights and expertise on how to best support children and families in the early years.

The aim of the Strategy being to shape the services provided in an integrated and holistic way that supports the education, wellbeing and development of Australia's children. The Executive Summary of the Draft Strategy which was released in December 2023 states:

#### **Why an Early Years Strategy**

*The Australian government has developed the Early Years Strategy to articulate the value we place on the early years and early childhood, what we want for all young children, and our understanding of success. The Early Years Strategy wraps around everything we value about early childhood, with what we know about its importance and what we know about how to make a difference.*

Correspondence went to Minister Aly in September 2023, outlining members' issues with In Home Care (IHC), Assistance for Isolated Children (AIC) Allowance, Mobile Early Learning, Family Day Care Legislation and



insufficient funding and staffing of remote and very remote Early Childhood Services. A reply received in October 2023 outlined plans to analyse and consider all recommendations from the various reviews completed in 2022/2023/2024.

**Reviews complete or underway:**

[Family Assistance Legislation Amendment \(Cheaper Child Care\) Bill 2022](#)

[Early Years Strategy](#)

[ACCC Price Inquiry into Childcare](#)

[In Home Care Review](#)

[Productivity Commission Review of Early Childhood Education and Care](#)

ICPA (Aust) contributed to these reviews and will also continue to submit members' issues with ECEC at every opportunity. Advisors to the Hon Dr Anne Aly MP, Minister for Early Childhood Education met with ICPA (Aust) in October 2023 and February 2024 and continue to reassure our members that they are committed to reforming ECEC to make it more accessible and affordable for families.

ICPA (Aust) has continued to support the Minderoo Foundation's Thrive by Five campaign by attending their rural and remote meetings and being a signatory to their media campaigns and advocacy letters.

ICPA (Aust) has partnered with The Parenthood in:

1. the release of the report '*Choiceless' The plight of parents in accessing regional, rural and remote early learning and care.* which details the barriers to accessing quality ECEC for families across Australia.
2. The development of their Access for Every Child: Regional, Rural and Remote Coalition Joint Statement for Government Action.

**In Home Care (IHC)**

*PricewaterhouseCoopers (PwC)* were engaged to conduct a review of the In Home Care program. The final report was released in August 2023. The review found 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.

From the report:

Finding 4: There is a shortage of educators available to provide IHC to geographically isolated families. To access educators these families incur significant, additional costs that are not covered under the CCS.

Demand for IHC for geographically isolated families is trending up with a 162 per cent increase in the number of geographically isolated families accessing the program from July 2018 to December 2022. These families tend to have limited changes to their circumstances and engage with the program for extended periods of time, in the absence of there being other forms of ECEC available to them.

The increase to the family hourly rate cap in 2019 (from \$25.48 to \$32, indexed annually) has enabled IHC providers to be better remunerated for their services, while improving affordability for families<sup>16</sup>. However, the current rate cap is often too low to cover additional costs associated with penalty rates for non-standard hours, and additional costs to access IHC in rural/remote areas.

*Families accessing IHC in regional and remote areas often face higher out-of-pocket fees with the average gap payment for a 4.2-hour session in Very Remote Australia being \$49.00 per session and \$42.04 per session for Remote Australia in 2022. It is important to note that these out-of-pocket costs to a family exclude the additional costs incurred by families in remote areas relating to transport, board, food and other ancillary costs to access an educator that are not*



*reimbursed as part of the IHC program. This creates affordability challenges for families to utilise the program. Despite already experiencing a shortage of educators in these regions, the current guidelines prohibit IHC educators from providing care for more than one family. This requirement means that multiple families who live on a remote station are unable to 'share' an educator for their children.*

*Some of the options presented in the final IHC Review report under Mechanisms to address the needs of geographically isolated families in government programs.*

- *IHC could consider collaborating with other programs such as FDC or CBDC to consider whether there are some cohorts that can be serviced through these other programs.*
- Incentive structures for career progression should be considered for IHC educators in rural and remote communities, such as providing fast-tracking for certifications, to encourage educators to work in geographically isolated communities.
- As one of the key cohorts of the IHC program is families in remote and regional areas, a higher subsidy rate or similar initiatives could be considered to address the costs of servicing such areas and families.
- Funding through loadings and incentives, including the Assistance for Isolated Children Scheme, which is a group of payments for parents and carers of children who cannot attend a local state school due to factors such as geographical isolation have been used to tackle thin market challenges. Reviews into rural and remote education have identified the importance of providing additional loading and funding to schools in remote and regional areas. A Review of the Regional Schooling Resource Standard Loadings is being conducted, and the paper will be released assessing the current settings for the loadings. To address thin markets in rural and remote areas, additional funding is provided to support provision of services in these geographically isolated areas, where it generally costs more to offer education. Similar loadings could be considered for IHC for families in remote and regional areas.

The review also considered the introduction of a new version of Family Day Care to meet the needs of geographically isolated families and concluded this would present a moderate risk to government and a moderate impact on services. The exploration of alternative versions of an In Home Care program was deemed to have a high impact on equity, affordability and accessibility of ECEC while presenting a high risk to government requiring changes to both legislation and regulation and a long term implementation.

Federal Council has been part of the Department of Education In Home Care Quality and Safety Project implemented by Australian Children's Education and Care Quality Authority (ACECQA). The pilot program is currently running and a Federal Council representative will attend a professional development workshop with IHC providers in March 2024.

ICPA (Aust) has continued to develop a valuable working relationship with key staff members of the Department of Education IHC team and value their support and guidance, which helps us support our members in navigating the entire IHC program. The IHC team remain open to communication and supportive in providing what information they can to help with our queries.

The Australian Competition & Consumer Commission (ACCC) continued with a price enquiry into Childcare to discover the drivers for the cost of centre based childcare, out of school hours care, family daycare and In Home Care. As part of this enquiry, they conducted three roundtable consultations in September 2023 (two virtual and one face to face) of approximately 30 people each:



- Roundtable 1 – First Nations, face to face in Darwin
- Roundtable 2 – Virtual on Teams Guardians and Parents
- Roundtable 3 – Virtual on Teams In Home Care

The topics to be covered during the IHC roundtables were:

1. Barriers to access for families
2. Issues for educators
3. Provider viability
4. Workforce pressures

The ACCC wanted to hear from ICPA members using or having difficulties accessing IHC and users of rural and remote childcare. Federal Council representatives and ICPA members attended the virtual roundtables and contributed valuable anecdotal evidence of the need for a more relevant version of IHC for rural and remote Australia.

The [ACCC Price Inquiry into Childcare final report](#) was released in January 2024. From the Final ACCC report: *Participants in the educator roundtable shared that some services in regional and remote areas spend a lot of money to attract educators only to find that the educators do not stay long in the job, noting that government support would be useful for rural and remote locations to build an educator workforce among the existing community.*

The Productivity Commission has continued its review of ECEC and delivered an interim report in November 2023 with consultation open until February 14, 2024. ICPA (Aust) joined with the National Rural Women's Coalition in lodging a joint comment on that draft report and leader of the ECEC portfolio Julia Broad presented our comment at a public hearing of the Productivity Commission in late February 2024. Members' issues with IHC were raised and discussed with the Productivity Commission.

ICPA (Aust) submitted the ECEC staffing issues identified by members to the Consultation Paper for Jobs and Skills Australia's Early Childhood, Education and Care Capacity Study in January 2024. This will assist Jobs and Skills Australia to gather critical evidence and insights and make recommendations as appropriate to support current and future workforce planning in the ECEC sector. The next steps for this capacity study include targeted stakeholder engagement in February and March 2024 and a final report in May 2024.

### **Assistance for Isolated Children (AIC) for 3-4 year olds**

The recommendation below was tabled in correspondence to The Hon Amanda Rishworth MP, Minister for Social Services.

#### Recommendations:

The extension of the AIC Distance Education Allowance to 3-4-year-olds undertaking an approved pre-compulsory distance education program in order to:

- create more affordable access to early childhood programs the year before rural and remote children start school.
- provide an opportunity to meet the Preschool Reform Agreement.
- give educators the opportunity to deliver early intervention where needed.

In November, members of Federal Council met online with the Minister's Senior Advisor Kirsten Johnson to outline all our advocacies around the AIC. Minister Rishworth's reply to other Members of Parliament has detailed that the AIC is available for full time study and pre-school does not qualify as full time and that funding is provided to states and territories through the Pre School Reform Agreement for the provision of preschool.



These recommendations were also raised during several delegation meetings in October 2023 and February 2024, including with the Hon Dr Anne Aly MP, Minister for Early Childhood Education. We also advocated strongly for this measure to be implemented in the ICPA (Aust) [2024-25 Pre-Budget Submission](#).

The Productivity Commission has requested further information regarding the costs, benefits and practicalities of expanding the Assistance for Isolated Children Distance Education Allowance to include children receiving a preschool education in geographically isolated areas. [**Information request 6.4**] ICPA (Aust) has used distance education preschool enrolment numbers to present an estimate to the Productivity Commission of possible 3-4 year olds who might be eligible for AIC – DE.

Excerpt from Productivity Commission Supplementary Paper

**Families in remote areas experience unique affordability barriers when accessing preschool.**

Early learning programs can also be delivered by distance education for the year prior to a child starting compulsory schooling. For many geographically isolated families, this is the only avenue available to access early childhood education. Children that receive primary or secondary schooling by distance education are eligible to receive the Assistance for Isolated Children Distance Education Allowance which ‘contributes towards incidental costs incurred by geographically isolated families’ (DSS 2023b, p. 57).

However, children attending preschool via distance education are ineligible to receive the Distance Education Allowance as it is not an approved course (DSS 2023b, p. 20).

[Children attending distance preschool] are deemed ineligible for the Assistance for Isolated Children (AIC) Distance Education Allowance as they are not recognised by the Australian Government as participating in compulsory schooling and no payment is available through the Child Care Subsidy (CCS) either, as these children are still in their parents’ care while participating in distance education. (Isolated Children’s Parents’ Association of Australia, sub. 58, p. 5)

An online meeting with Minister Rishworth has been scheduled for April 2024. The estimated number of 3-4 year olds and benefits to families of receiving this allowance will be again detailed to the minister in this meeting.

**Pay parity and incentives**

Pay parity and the need for staff incentive programs to help address ECEC staff shortages in rural and remote areas were addressed in correspondence to the Hon Tony Burke MP, Minister for Employment and Workplace Relations in September 2023. This letter was referred to Minister Aly.

Minister Aly’s reply provided assurance that the federal government was committed to improving our ECEC system, including outcomes for families in rural and remote areas, to ensure all Australian children have the best possible start in life and that families are supported to work, train or study and that the ECEC workforce are valued as professionals, with rewarding career opportunities. Further, the minister advised that the government has strengthened the ability and capacity for the Fair Work Commission (FWC), the independent workplace relations tribunal responsible for setting minimum wages and employment conditions, to order pay increases for workers in low paid, female-dominated industries through the *Secure Jobs, Better Pay Act 2022*. The changes give the FWC powers to support lower paid sectors, such as ECEC, to bargain for better pay and conditions.

The FWC recently delivered their Annual Wage Review for 2022–23, which included a 5.75 per cent increase to awards from 1 July 2023. This was a historic pay rise, which included awards covering ECEC educators and teachers.



In the reply, Minister Aly also referred to the Productivity Commission review which will make recommendations to support accessible, affordable, equitable and high-quality ECEC that reduces barriers to workforce participation and supports children's learning and development. The Productivity Commission will consider the impact geographical factors have on families' access to ECEC, including in regional and remote locations and is an important step in identifying and addressing systemic issues in the ECEC sector.

ICPA (Aust) highlighted the need for pay parity in the joint comment on the PC draft report A Path to Universal Early Childhood Education and Care. ECEC portfolio leader, Julia Broad discussed pay parity as a barrier to delivery of rural and remote ECEC during the public hearing of the Productivity Commission in February 2024.

Minister Aly claims to be aware that attracting, developing, and retaining staff is a significant challenge currently impacting the ECEC sector, with workforce issues felt particularly in regional and remote areas and believes the co-design of the 10-year National Children's Education and Care Workforce Strategy (released in October 2021)

<https://www.education.gov.au/early-childhood/early-childhood-workforce/national-childrens-education-and-care-workforce-strategy>

will help to address this. The Strategy includes 21 practical actions that aim to address the long-term and persistent issues impacting attraction, retention, and quality of the ECEC workforce. Action 1-1 of the Strategy involves research to investigate options to improve pay and conditions in the ECEC sector. Action 2-1 of the Strategy focuses on reviewing and developing targeted programs to support studies and placements for specified groups of potential educators and teachers, one of these groups being those from regional, rural and remote communities. Key findings were discussed at the first ECEC Biennial National Workforce Forum hosted by ACECQA in November 2023, on behalf of all governments and sector stakeholders. Participants in this forum 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. A summary of the forum can be found here: <https://www.acecqa.gov.au/national-workforce-forum>

Minister Aly's reply continued to detail the government's belief that the ECEC sector will further benefit from the government's commitment to improve workforce supply through Fee-Free TAFE, additional university places, teacher bursaries, expanding the migration program and the establishment of Jobs and Skills Australia to support workforce planning.

ICPA (Aust) also submitted the issue of pay parity amongst other ECEC staffing policy to the Consultation Paper for Jobs and Skills Australia's Early Childhood, Education and Care Capacity Study in January 2024. The steps for this capacity study include targeted stakeholder engagement in February and March 2024 and a final report in May 2024.

A Professional Development Subsidy is available via ECEC services to help qualified staff to complete training that adds to their skills as of 1 July 2023. This is initially only available to services and staff in regional, remote and very remote locations, and First Nations services and educators.

### **Working with Children Check**

The need for a National Working with Children Check has been making what seems to be slow but steady progress. Correspondence detailing the barriers created by state-based working with children check (WWCC) systems was sent to the Attorney General, the Hon. Mark Dreyfus KC MP in September 2023 with a response received in December 2023. The response detailed that while the WWCC is, constitutionally, a state and territory government responsibility, the National Office for Child Safety within the Attorney-General's Department is working collectively with states and territories to improve national consistency of WWCC. The reply detailed the work of the Care and Support Economy Taskforce with National Cabinet to establish a national strategy for the care and support economy. The Attorney-General hosted a Ministerial Forum on Child Safety in November 2023 with all state and territory ministers to promote national consistency in WWCC and renew commitment to embed the National Principles for Child Safety Organisations into legislation. The



Attorney-General advised that states and territories have been progressively implementing the National Standards for WWCC and that he is fully committed to improving the frameworks that underpin child safety in Australia.

ICPA (Aust) has raised this issue as a barrier to accessing ECEC staff in rural and remote Australia in the submission to the Productivity Commission (PC) into Early Childhood Education Care and public hearing discussions with the Commissioners. The final report from the PC is due 30 June 2024.

ICPA (Aust) submitted this issue amongst other ECEC staffing policy to the Consultation Paper for Jobs and Skills Australia's Early Childhood, Education and Care Capacity Study in January 2024. This consultation will continue through until the final report is due in May 2024.

### **Mobile Early Learning Services**

The lack of surety of funding to maintain mobile early learning services in rural and remote Australia has been raised at every opportunity. Correspondence went to Minister Aly in September 2023, outlining members' issues with and need for mobile early learning services. The minister's reply outlined plans to consider all recommendations from the various reviews completed in 2022/2023/2024 as detailed earlier in this report.

ICPA (Aust) continues to submit member's issues with the lack of mobile early learning services at every opportunity.

The lack of surety of funding for mobile early learning services has features significantly in submissions and consultation with the Productivity Commission's review of ECEC.

ICPA (Aust) also submitted this issue to the Consultation Paper for Jobs and Skills Australia's Early Childhood, Education and Care Capacity Study in January 2024.

### **Working Holiday Maker Visa**

The inclusion of distance education tutors and nannies on the eligible employment list has been included in all submissions and delegation meetings. Correspondence outlining this request was sent to the Minister for Immigration, Citizenship and Multicultural Affairs, The Hon Andrew Giles MP in September 2023. A follow up letter was sent in February 2024 following no response from the minister on this issue.

ICPA (Aust) has raised this issue in its submission to the Productivity Commission into Early Childhood Education Care and Public Hearing discussions with the Commissioners.

ICPA (Aust) also submitted this issue to the Consultation Paper for Jobs and Skills Australia's Early Childhood, Education and Care Capacity Study in January 2024.

### **Lack of CCCF (Community Child Care Fund) for rural and remote ECEC centres**

The lack of adequate funding to cover extra operational costs of rural and remote ECEC centres has featured heavily in the advocacy this year.

Correspondence went to Minister Aly in September 2023, outlining members' issues with insufficient funding of remote and very remote Early Childhood Services. A reply received in October 2023 outlined plans to consider recommendations from the comprehensive review of ECEC.

Minister Aly's advisor met with ICPA (Aust) in October 2023 and February 2024 and continue to reassure our members that they are committed to reforming ECEC to make it more accessible and affordable for families. The Federal Department of Education (Department of Education) undertook a review of the Community Child Care Fund Restricted (CCCFR) grant to examine how the grant is meeting its goals to:

- improve early childhood development outcomes for vulnerable and disadvantaged children



- increase workforce participation by vulnerable and disadvantaged families.

As part of this review, Deloitte Access Economics consulted with a broad range of stakeholders across government and non-government organisations to ensure a broad range of perspectives were considered across the review's research and overall findings.

ICPA (Aust) participated in an interview to give any feedback around the CCCFR grant, as well as broader opportunities to ensure that all children across Australia have access to safe, affordable and high-quality early childhood education and care. Even though Deloitte were informed that ICPA (Aust) policy is focused on CCCF and not the Restricted program, as a national body committed to advocating for children and students in rural and remote Australia, Deloitte wanted to get our overall feedback on funding of ECEC centres in rural and remote Australia which was a great opportunity to detail this issue.

The Productivity Commission's interim report delivered in November 2023 outlined the many issues with funding ECEC centres in thin rural and remote markets. They are committed to making recommendations that prevent short falls in funding. The PC acknowledged that in the pathway to universal care improvements are needed to the CCCF.

The suggestion has been made on page 49 of the Draft report from the Productivity Commission, that an ECEC Commission could have responsibility for advising on the need and where funding should be available through a redesigned CCCF. There have been many suggestions of components of ECEC funding should be improved on pages 52-55.

ICPA (Aust) submitted this issue of rural and remote ECEC centre funding amongst other ECEC policy to the Consultation Paper for Jobs and Skills Australia's Early Childhood, Education and Care Capacity Study in January 2024.

### **Flexibility in legislation for rural and remote Family Day Care**

Correspondence went to Minister Aly in September 2023, outlining suggestions for changes to the Family Day Care Legislation. A reply received in October 2023 outlined plans to analyse and consider all recommendations from the various reviews of ECEC as detailed earlier in this report.

This solution along with a request for it to be discussed at an Education Ministers Meeting (EMM) was tabled during delegations with Minister for Education the Hon Jason Clare MP and Minister Aly's staff in October 2023 and February 2024. Minister Aly's staff continue to assure our members that they are committed to reforming ECEC to make it more accessible and affordable for families.

This suggestion was also raised in the submission and during the public hearing with the PC in February as an interim measure that could have positive impact on availability of rural and remote ECEC. The PC requested further information about this solution during the public hearing discussion and the motion explanation was forwarded.

ICPA (Aust) submitted this issue amongst other ECEC staffing policy to the Consultation Paper for Jobs and Skills Australia's Early Childhood, Education and Care Capacity Study in January 2024.

*Portfolio Leader-Julia Broad*

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