



**Australian Government**  
**Productivity Commission**

# Early Childhood Development Workforce

## Productivity Commission Research Report

November 2011

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**Publications Inquiries:**

Media and Publications  
Productivity Commission  
Locked Bag 2, Collins Street East  
Melbourne VIC 8003

Tel: (03) 9653 2244  
Fax: (03) 9653 2303  
Email: [maps@pc.gov.au](mailto:maps@pc.gov.au)

**General Inquiries:**

Tel: (03) 9653 2100 or (02) 6240 3200

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# Foreword

The early childhood development sector plays an important role in fostering the education, health and care of young children. Early childhood education and care services are currently the subject of significant reforms nationally. These reforms have substantial implications for the associated workforce.

This report, the second of three on education and training workforces, focuses on the early childhood development workforce. It follows the Vocational Education and Training workforce report released in May 2011. The third report, on the Schools workforce, is underway and will be completed in April next year.

The Commission's recommendations and findings seek to support the future development of the early childhood workforce required to underpin the nationally agreed reforms. In particular, guidance is provided on the provision of quality early childhood education and care services to children with additional needs, Aboriginal and Torres Strait Islander children and children in rural and remote locations.

In preparing its report, the Commission consulted widely with the early childhood development sector, governments, non-government organisations and individuals. It benefitted in particular from feedback on a draft report released at the end of June. The Commission acknowledges the valuable contribution of all those who participated.

The study was overseen by Commissioners Angela MacRae (presiding) and Robert Fitzgerald. The staff research team was headed by Ben McLean and based in the Commission's Melbourne office.

Gary Banks AO

Chairman

11 November 2011

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## Terms of reference

### EDUCATION AND TRAINING WORKFORCE STUDY

#### *Productivity Commission Act 1998*

I, Nick Sherry, Assistant Treasurer, pursuant to Parts 2 and 3 of the Productivity Commission Act 1998 hereby request that the Productivity Commission undertake a research study to examine issues impacting on the workforces in the early childhood development, schooling and vocational education and training sectors, including the supply of and demand for these workforces, and provide advice on workforce planning, development and structure in the short, medium and long-term.

#### **Background**

The Council of Australian Governments (COAG) has agreed on common strategic frameworks to guide government action on early childhood development, schooling and vocational education and training (VET) across Australia.

Building the capability and effectiveness of the workforces in these sectors, particularly for Indigenous people, will be critical to achieving the outcomes agreed in these frameworks. This study is to be undertaken in this context, and responds to a request from the COAG Working Group on the Productivity Agenda that the Productivity Commission undertake a research study examining workforce issues in these sectors.

#### **Scope**

The Commission is to provide advice on workforce planning, development and structure of the early childhood development, schooling and VET workforces in the short, medium and long-term.

In undertaking this study, it should consider and provide advice on:

1. The current and future demand for the workforces, and the mix of knowledge and skills required to meet service need. This will include consideration of:
  - (a) population distribution and demographic trends, jurisdictional and regional analysis;
  - (b) significant shifts in skill requirements; and
  - (c) policy and regulation given the agreed COAG outcomes (particularly the National Early Childhood Development Strategy, relevant National Partnerships, the National Education Agreement and the National Indigenous Reform Agreement).
2. The current and future supply for the workforces, including:
  - (a) demographic, socio-cultural mix and composition of the existing workforces, and jurisdictional and regional analysis;
  - (b) elements such as remuneration, pay equity/differentials, working conditions, professional status and standing, retention, roles and responsibilities, professional development, and training and support structures; and
  - (c) qualifications pathways particularly pathways that will ensure accessibility and appropriateness of training to meet the qualifications and competencies required for the various occupations in the workforces.
3. The current and future structure and mix of the workforces and their consequential efficiency and effectiveness, including:
  - (a) the composition and skills of the existing workforces;
  - (b) the productivity of the workforces and the scope for productivity improvements; and
  - (c) the most appropriate mix of skills and knowledge required to deliver on the outcomes in the COAG national framework.
4. Workforce planning, development and structure in the short, medium and long-term, including:
  - (a) policy, governance and regulatory measures to maximise the efficiency and effectiveness of the workforces in order to achieve the outcomes set out in the COAG frameworks; and

- 
- (b) changes to ongoing data collection to establish a robust evidence base, provide for future workforce planning and development and meet reporting requirements.

In addressing the Terms of Reference, a key consideration will be the extent to which sectoral and jurisdictional boundaries limit innovation and flexibility in workforce planning, development and practices. In addition to sector-specific issues, the Commission is therefore requested to consider whether reducing sectoral divides between workforces in these sectors could support a more learner-focused approach, achieve better individual outcomes and increase the efficiency of workforce development and planning.

### **Cross-sectoral and integrated service delivery**

In recognition of some lowering of cross-sectoral boundaries and the growth of cross-sectoral delivery and integrated service delivery models, the Commission is asked to consider and provide advice on:

1. workforce skill and training needs;
2. the extent to which job design and employment agreements in the sectors are aligned to contemporary work practices;
3. implications for workforce planning across the sectors from integrated service delivery; and
4. the extent to which existing employer practices encourage attracting and retaining employees.

In addition, the Commission is to give consideration to factors that impact on building Indigenous workforce capability in recognition of the effect this will have on improving outcomes for, employment of and services to Indigenous Australians.

The Commission is also to give consideration to factors that have particular impact on each sector. These will include:

#### **1. The Early Childhood Development Workforce**

The Early Childhood Development (ECD) workforce can include, but not be limited to: coordinators and managers, early childhood teachers, teaching assistants and para-professionals, childcare workers for pre-primary and primary aged children, early childhood intervention professionals, administrative staff, community service workers and relevant health and social welfare professionals.

In relation to the ECD workforce the Commission is asked to specifically consider and give advice on:

1. Factors affecting the current and future demand and supply for the ECD workforce, and the required mix of skills and knowledge, including:
  - a. delivery of fully integrated ECD services including maternal and child health, childcare, preschool, family support services and services for those with additional needs;
  - b. market requirements for broader leadership, management and administrative skills in operating both mainstream universal service providers and integrated service hubs;
  - c. the availability and quality of pre-service education programs, including through undergraduate and postgraduate education and VET, and consideration of training pathways;
  - d. ECD workforce participation, including ease of access to the early childhood development workforce in different sectors and net returns to individuals and recognition of expertise; and
  - e. the quality and skills of the workforce, job design and workplace practices and arrangements and their contribution to achieving COAG outcomes and setting future direction.
2. Workforce planning, development and structure in the short, medium and long term, covering:
  - a. career pathways, the structure of existing employment arrangements and practices and the extent to which they are dis/incentives to attracting and retaining employees, including pay and conditions across settings; strategies to address possible pay equity issues as necessary; options for funding pay increases as necessary; and the implications for purchasers of ECD services and all levels of government and funding responsibilities;
  - b. potential labour market failures;
  - c. the impact of government, community and private provision; and
  - d. the concept and workforce implications of integrated service delivery.

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## **2. The Schooling Workforce**

The schooling workforce refers to teachers and those who support the practice of teaching. These can include, but are not limited to: leaders and managers; teaching assistants and para-professionals; administrative staff; and relevant health professionals.

In relation to the schooling workforce the Commission is asked to specifically consider and give advice on:

1. The current and future supply for the schooling workforce, including:
  - a. the availability and quality of pre-service education programs, including through undergraduate and postgraduate education, and VET;
  - b. government programs targeting supply pressures, including the extent to which there is national cohesion in relation to these programs;
  - c. motivation for entering, remaining in and exiting the school workforce and the attraction and retention of principals in changing contexts; and
  - d. school workforce participation, including ease of access to the teacher profession and/or schooling workforce, net returns to individuals, recognition of industry expertise, wastage rates in teacher training and underutilisation of qualified teachers (such as loss of qualified teachers to other occupations or overseas).
2. The structure and mix of the workforce and its consequent efficiency and effectiveness, including:
  - a. the composition and skills of the existing workforce;
  - b. the productivity of the workforce and the scope for productivity improvements, qualifications pathways; and
  - c. how the current delineation of duties supports or impedes the achievement of COAG outcomes.
3. Workforce planning, development and structure in the short, medium and long term:
  - a. the extent to which current sectoral boundaries promote or limit efficiency and effectiveness in schooling workforce;
  - b. interface with suppliers of pre-service training (undergraduate, post-graduate and VET) and
  - c. the quality and culture of the workforce and its employers, and their contribution to achieving COAG outcomes and setting future directions.

## **3. The VET Workforce**

The status of VET practitioners as ‘dual professionals’, deploying both industry and education skills delivered in schools, VET only, dual sector and industry settings, is unique among education sectors, and poses both challenges and opportunities for the VET sector in attracting and retaining staff. In addition, the increasingly commercial environment in which many providers operate creates a significant role for VET professionals who are engaged in organisational leadership and management, but not directly involved in training delivery. The impact of this trend on the required capabilities of VET professionals is of policy interest.

In relation to the VET workforce, the Commission is asked to consider both the VET workforce as a whole, including trainers and assessors in enterprises, adult community education and community organisations, and the TAFE workforce as a subset, and provide advice on:

1. Factors affecting the current and future demand for the VET workforce, and the required mix of skills and knowledge:
  - a. change in participation in VET as a result of increasing labour market emphasis on formal training and lifelong learning;
  - b. change in volume and type of training delivered to each VET participant as a result of the trend towards higher level qualifications, and as a result of the impact of the Recognition of Prior Learning (RPL) and the Recognition of Current Competencies (RCC);
  - c. likely future patterns of training demand by industry and sector, including as a consequence of responses to emerging economic and environmental issues and to gap training and skills assessment;

- 
- d. requirement for broader skills in VET professionals as a result of increasing system focus on client needs, including flexible delivery, greater focus on employability skills, catering for a more diverse student base, and partnering with enterprises and communities;
  - e. demand for managerial and entrepreneurial skills as a result of growing commercial dimensions of the VET sector and strategic market positioning and branding;
  - f. the impact of delivery of higher level VET qualifications (eg Associate and Bachelor Degrees); and
  - g. training pathways and the provision of 'second chance' education and training such as for migrant and Indigenous students.
2. The current and future supply of the VET workforce, including:
    - a. motivation for entering, remaining in and exiting the workforce; and
    - b. competition from other employers including industry and other education sectors.
  3. The structure of the workforce and its consequent efficiency and effectiveness, including:
    - a. the extent to which job design and employment agreements in the VET sector are aligned to contemporary work practices in a commercially competitive environment;
    - b. the adequacy of support for high-quality professional practice, including consideration of practitioner qualifications and standards for VET practitioners across sectors;
    - c. the current and potential impact of workforce development activities within the VET sector on the capability and capacity of the VET workforce, including a workforce development plan; and
    - d. the implications of emerging workplace and employment practices, including increasing casual and part-time employment, the 'core/periphery' model and blurring of teaching and non-teaching roles.

### Study Process

In undertaking its study, the Commission should consult widely with relevant professionals and interested parties. It should use, but not replicate, existing work such as that underway by COAG, the relevant Ministerial Councils, Senior Officials' Working Groups and jurisdictions, including on:

- the early childhood quality reform agenda;
- teacher quality reforms;
- further reforms arising from policy directions of the National Agreement on Skills and Workforce Development;
- Indigenous reforms; and
- previous work commissioned by the Victorian DHS for the Community Services Ministers Advisory Committee.

This should include relevant recent survey work and workforce studies in each sector and research undertaken by NCVER, ACER, various university research centres, TAFEs and Industry Skills Councils, and the OECD.

The study should include a comparative element, both in terms of comparing the education and training workforce to other community/public service professions such as the health sector, and of relevant international comparisons, particularly with regard to the ECD workforce which is undergoing significant reform in Australia.

The Commission should provide a report, dealing with the VET workforce, within twelve months of receipt of this reference; and a second and third report, dealing with the early childhood development and schooling workforces, within eighteen and twenty four months respectively of receipt of this reference. The reports will be published.

Nick Sherry  
Assistant Treasurer  
[Received 22 April 2010]



**ASSISTANT TREASURER  
MINISTER FOR FINANCIAL SERVICES AND SUPERANNUATION**

PO BOX 6022  
PARLIAMENT HOUSE  
CANBERRA ACT 2600

Telephone: 02 6277 7360  
Facsimile: 02 6273 4125

<http://assistant.treasurer.gov.au>

20 OCT 2011

Mr Gary Banks AO  
Chair, Productivity Commission  
GPO Box 1428  
CANBERRA ACT 2601



*Gary*  
Dear Mr Banks

Thank you for your letter of 12 October 2011, seeking a three-week extension to the reporting date for the Productivity Commission study *Education & Training Workforce: Early Childhood Development* from 21 October 2011 until 11 November 2011.

I note your advice that the extension would allow the Commission to incorporate key data recently received and to hold a workshop on the approach and findings with key stakeholders prior to finalising the report.

Accordingly, I am happy to grant the extension requested and look forward to receiving the Commission's final report on 11 November 2011.

Yours sincerely

*B. Shorten*  
BILL SHORTEN

cc: Minister for Employment Participation and Childcare; Minister for School Education, Early Childhood and Youth.

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## Disclosure of interests

The *Productivity Commission Act 1998* specifies that where Commissioners have or acquire interests, pecuniary or otherwise, that could conflict with the proper performance of their functions they must disclose the interests.

Angela MacRae has the following interests to disclose:

- Balwyn North Primary School — school council (voluntary capacity)
- The Merrell Kindergarten Inc. — kindergarten committee (voluntary capacity).

Robert Fitzgerald has the following interests to disclose:

- The Benevolent Society — Board Director and Vice President (voluntary capacity)
- Australian Catholic University — Adjunct Professor (voluntary capacity).

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A range of published and unpublished data from the Department of Education, Employment and Workplace Relations are also used throughout this report.

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# Abbreviations and explanations

## Abbreviations

ABS	Australian Bureau of Statistics
ACECQA	Australian Children's Education and Care Quality Authority
AEDI	Australian Early Development Index
AEU	Australian Education Union
AGCCCS	Australian Government Census of Child Care Services
AGCCPS	Australian Government Child Care Provider Survey
AHW	Aboriginal and Torres Strait Islander health worker
AIHW	Australian Institute of Health and Welfare
ANF	Australian Nursing Federation
ANFPP	Australian Nurse–Family Partnership Program
AQTF	Australian Quality Training Framework
ASQA	Australian Skills Quality Authority
ASU	Australian Services Union
BBF	budget-based funded
CALD	culturally and linguistically diverse
CCB	Child Care Benefit
CCMS	Child Care Management System
CCR	Child Care Rebate
CEaCS	Childhood Education and Care Survey
CFC	Children and Family Centre
CHAPS	child health and parenting services
COAG	Council of Australian Governments
CPD	continuing professional development
CSHISC	Community Services and Health Industry Skills Council

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CSTP	Community Services Training Package
CURF	confidentialised unit record file
DEEWR	Department of Education, Employment and Workplace Relations
ECD	early childhood development
ECE	early childhood education
ECEC	early childhood education and care
ELCC	Early Learning and Care Centre
EPPE	Effective Provision of Pre-school Education
EYLF	Early Years Learning Framework
EYP	Early Years Professional
FDC	family day care
FaHCSIA	Department of Families, Housing, Community Services and Indigenous Affairs
FBT	fringe benefit tax
FDCA	Family Day Care Australia
FIFO	fly-in, fly-out
FSF	Flexible Support Funding
FSAC	Framework for School-Age Care
HILDA	Household, Income and Labour Dynamics in Australia
HIPPY	Home Interaction Program for Parents and Youngsters (Australia); Home Instruction for Parents of Preschool Youngsters (US)
IEU	Independent Education Union
IHC	in-home care
IPSP	Inclusion and Professional Support Program
IPSU	Indigenous Professional Support Unit
ISA	Inclusion Support Agency
ISP	Inclusion Support Program
ISS	Inclusion Support Subsidy
JET	Jobs, Education and Training

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LDC	long day care
LGECEEA	Local Government Early Childhood Education Employees' Agreement
LHMU	Liquor, Hospitality and Miscellaneous Union
LSAC	Longitudinal Study of Australian Children
MACS	Multifunctional Aboriginal Children's Service
MAV	Municipal Association of Victoria
MCH	maternal and child health
NCAC	National Childcare Accreditation Council
NCVER	National Centre for Vocational Education Research
NGO	non-government organisation
NIRA	National Indigenous Reform Agreement
NISSP	National Inclusion Support Subsidy Provider
NMBA	Nursing and Midwifery Board of Australia
NPA ECE	National Partnership Agreement on Early Childhood Education
NPA IECD	National Partnership Agreement on Indigenous Early Childhood Development
NQA	National Quality Agenda
NQF	National Quality Framework
NQS	National Quality Standard
NSSC	National Skills Standards Council
OC	occasional care
OECD	Organisation for Economic Cooperation and Development
OSCAR	Out Of School Care And Recreation (New Zealand)
OSHC	outside school hours care
PAJE	<i>Prestation d'accueil du jeune enfant</i> (France)
PaL	Parents and Learning program
PC	Productivity Commission
PMI	<i>Protection maternelle et infantile</i> (France)
PSC	Professional Support Coordinator

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PSP	Professional Support Program
PSSP	Professional Support Service Provider
QCT	Queensland College of Teachers
RCAB	Registering and Course Accrediting Body
REAAP	<i>Réseaux d'écoute, d'appui et d'accompagnement des parents</i> (France)
RPL	recognition of prior learning
RTO	registered training organisation
SACS	Social and Community Services
SBR	standard business reporting
SCAN	Supporting Children with Additional Needs
SCRGSP	Steering Committee for the Review of Government Service Provision
SCS	Survey of Community Services
SSP	service support plan
TASDAS	Tasmanian Autism Spectrum Diagnostic Assessment Service
VECTAA	Victorian Early Childhood Teachers and Assistants Agreement
VET	vocational education and training
VRQA	Victorian Registration and Qualifications Authority
WTITO	<i>Whanau Toko I Te Ora</i> (New Zealand)

## Explanations

Billion	The convention used for a billion is a thousand million (10 <sup>9</sup> ).
Findings	<i>Findings in the body of the report are paragraphs highlighted using italics, as this is.</i>
Recommendations	<b><i>Recommendations in the body of the report are highlighted using bold italics, as this is.</i></b>
Requests for further information	<i>Information requests are paragraphs highlighted using italics, as this is.</i>



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# OVERVIEW

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## Key points

- The early childhood development sector contributes to the positive early life outcomes experienced by the majority of young children in Australia. The sector provides early childhood education and care, child health and family support services to over 1.5 million children.
- Governments are implementing a range of substantial reforms to early childhood education and care. These reforms have substantial implications for the 140 000 strong early childhood education and care workforce.
- The reforms mean that about 15 000 more workers are likely to be required than would otherwise be the case, and the average level of workers' qualifications will need to increase. To meet this additional demand, wages for the more highly qualified childhood education and care employment categories will need to rise.
- The supply of suitably qualified workers is likely to take some time to respond, and temporary exemptions from the new standards (waivers) will be required. Government timelines for reform appear optimistic.
- Increased demand for qualifications will increase demand for vocational education and training. Unless existing concerns surrounding poor quality training are addressed, much of any increased investment in vocational education and training could be wasted. As a priority, a review of the relevant training package and sufficient funding so that the new national regulator, the Australian Skills Quality Authority, can effectively monitor the delivery of the package is required.
- Appropriate and accessible professional development and support for staff is needed so that the benefits of additional training are enduring, and to disseminate information on the extensive pedagogical and regulatory sectoral reforms.
- The increase in early childhood education and care service costs due to labour cost increases will mainly be shared by governments and parents, rather than by workers or providers. Under existing subsidy arrangements, access to long day care services is expected to be lower than without the reforms, as a result of higher costs faced by parents.
- Alternative child care subsidy structures, emphasising targeting to the most disadvantaged children and families, could deliver cost savings to the Australian Government while helping to ensure access to services for those who would benefit most.
- Child and family health nurses are generally in good supply. Research is required to determine the optimal mix of skills and qualifications in the child health workforce.
- Early childhood development services are not currently providing the same start in life to children with additional needs, and many Aboriginal and Torres Strait Islander children, that is commonly available to other children. The workforce requirements to provide appropriate services for these children must be prioritised so that the gap in outcomes between them and other children is minimised, not exacerbated.
- The development of integrated early childhood development centres provides new opportunities for improved service delivery, but may require additional leadership and cross-disciplinary professional development for staff for them to be effective.

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# Overview

The early childhood development (ECD) sector in Australia faces significant challenges. Governments are implementing a wide-ranging program of regulatory reform in the sector, particularly in early childhood education and care (ECEC). These reforms, which aim to raise the quality of Australian ECEC, will significantly increase demand for ECEC workers. Supply is likely to respond slowly. This suggests that current timeframes for reform are optimistic.

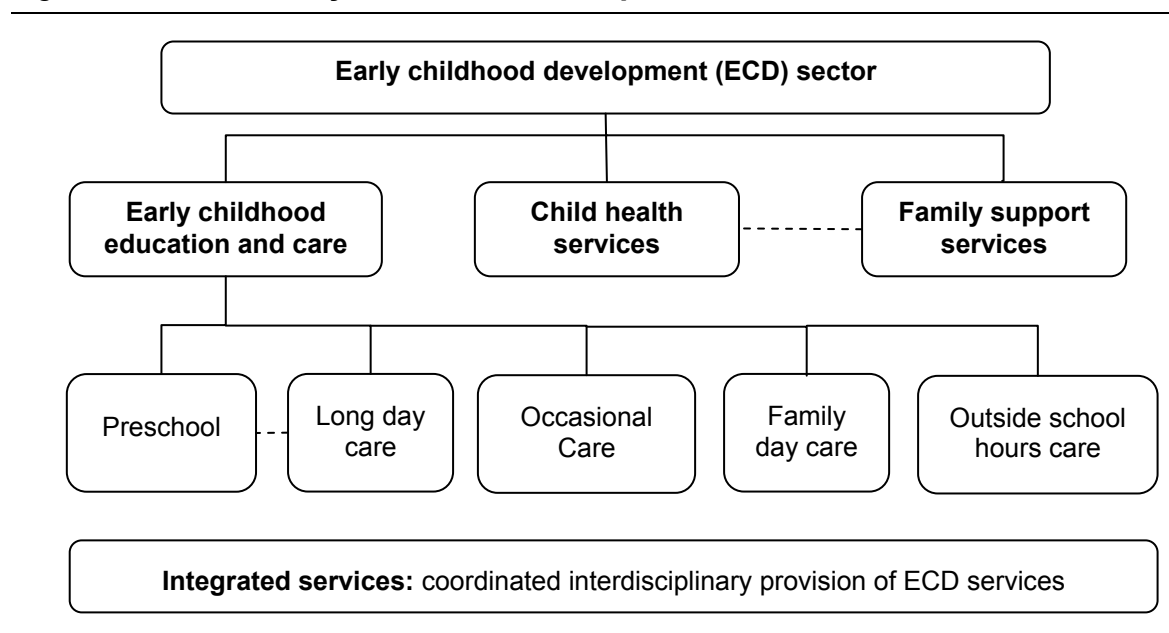
The reform program is likely to be expensive for both governments and parents, as increased staff numbers, and the higher wages anticipated in response to the increase in demand, drive up ECEC service costs. A restructuring of existing child care subsidies would help to limit the cost to governments and to ensure access to ECEC for those who would benefit most. Regardless of the reform program and any changes to existing subsidy arrangements, additional funding to support children with additional needs and all Aboriginal and Torres Strait Islander children to access ECD services is required.

## **Early childhood development in Australia**

Most Australian children meet developmental milestones and are well prepared when they enter primary school. The efforts of parents to give their children a good start in life are supported by ECD services, including ECEC, child health and family support services (figure 1).

While the quality of Australian ECD services is generally good by international standards, the Australian ECD sector, and ECEC in particular, is currently the subject of major reforms. These reforms will have far-reaching implications for the ECEC workforce. This report looks at the workforce issues that must be addressed to successfully implement these already-agreed reforms.

Figure 1      **The early childhood development sector**



It is apparent that ECD services are not providing the same quality of services to children with additional needs, and many Indigenous children, that is commonly available to other children. It is essential that workforce issues affecting service provision to children with additional needs, and for many Indigenous children, are given priority in the context of current reforms, to ensure that the developmental gaps between groups of children are minimised.

### *Child health and family support services*

Most Australian children first encounter the ECD sector soon after birth, when they visit, or are visited by, a child and family health nurse. Health visits, which are offered intermittently through a child’s early life, monitor and promote the wellbeing of the child and, where necessary, provide referral to appropriate medical and intervention services. These services include family support services, which aim to improve the capacity of families to care for their children.

### *Early childhood education and care*

Many families choose to send their children to an ECEC service, to enable the parents return to the workforce and/or for the educational and social benefits that ECEC can bring to children. For very young children, this is most commonly provided in a long day care (LDC) centre or family day care (FDC). There are almost 6000 LDC centres in Australia, offering ECEC to more than 500 000 children (table 1). There are also more than 12 000 FDC educators offering ECEC

to more than 90 000 children in the educators' own homes. In addition to these longer, typically full-day, care options, sessional or occasional care is available.

As children grow older, they often also participate in a preschool program. These programs, offered in 65 per cent of LDC centres as well as in almost 5000 preschools, are delivered to more than 200 000 children in the year before formal schooling.

Once children enter formal schooling, they may continue to receive ECEC services before or after school, or in school holiday periods, or a combination of these. These services, collectively known as outside school hours care, support parents' workforce participation in the face of the mismatch between the short school day and longer working hours, and provide further developmental opportunities for children.

Integrated service provision is becoming increasingly common, and is generally regarded as being a particularly effective way of delivering ECD services to disadvantaged children. As integrated services are further developed, it is anticipated that more children will access child health and family support services from the same service at which they attend ECEC.

**Table 1 Early childhood education and care services in Australia<sup>a</sup>**  
2009-10

	<i>Services</i>	<i>Places offered<sup>b</sup></i>	<i>Children attending</i>
Long day care	5 781	318 894	543 539
Preschools	4 809	na	213 446
Occasional care	85	2 728	6 401
Family day care	328 schemes 12 060 educators	73 456	93 738
Outside school hours care	5 303	316 316	342 261

<sup>a</sup> Includes childcare services approved by the Australian Government, and preschools that are funded or provided by state and territory governments. <sup>b</sup> Children may attend more than one type of care, and the majority do not attend full time. Therefore, the number of children generally exceeds the number of full-time places. **na** Not available.

*Sources:* Productivity Commission estimates based on unpublished DEEWR data from the 2010 National ECEC Workforce Census; SCRGSP (2011a).

### *Governments are heavily involved in the early childhood development sector*

Governments at all levels intervene in the ECD sector as policy makers, funders, service providers and regulators (table 2). Governments intervene in ECD because they consider that while ECD services have direct benefits for children and families, services also provide wider economic and social benefits, including

productivity-enhancing human capital improvements and assistance in overcoming disadvantage. There is also recognition that market pressures alone are unlikely to provide quality services, and that an appropriate regulatory system aimed at quality improvement and assurance is required.

**Table 2      The role of governments in the early childhood development sector**

	<i>ECEC</i>	<i>Child health</i>	<i>Family support</i>
Australian Government	<ul style="list-style-type: none"> <li>• Regulation</li> <li>• Policy setting</li> <li>• Most funding</li> </ul>	<ul style="list-style-type: none"> <li>• Some policy setting</li> <li>• Some funding</li> </ul>	<ul style="list-style-type: none"> <li>• Policy setting</li> <li>• Some funding</li> </ul>
State and territory governments	<ul style="list-style-type: none"> <li>• Regulation</li> <li>• Some policy setting</li> <li>• Some funding</li> <li>• Some provision</li> </ul>	<ul style="list-style-type: none"> <li>• Policy setting</li> <li>• Most funding</li> <li>• Provision</li> </ul>	<ul style="list-style-type: none"> <li>• Policy setting</li> <li>• Some funding</li> <li>• Provision</li> </ul>
Local governments	<ul style="list-style-type: none"> <li>• Provision</li> <li>• Some funding</li> </ul>	<ul style="list-style-type: none"> <li>• Provision</li> <li>• Some funding</li> </ul>	<ul style="list-style-type: none"> <li>• Some provision</li> <li>• Some funding</li> </ul>

### *New policy initiatives are reshaping the early childhood development sector*

Australian governments have embarked on a significant program of policy change for the ECD sector, partly to address ongoing concerns that one quarter of Australian children enter primary school with vulnerabilities in one or more of five key developmental domains. These policy changes include ensuring that all children can attend preschool (so-called ‘universal access’ to 15 hours of preschool per week), an increased emphasis on ECEC service quality and expanding the provision of ECD services to Indigenous children.

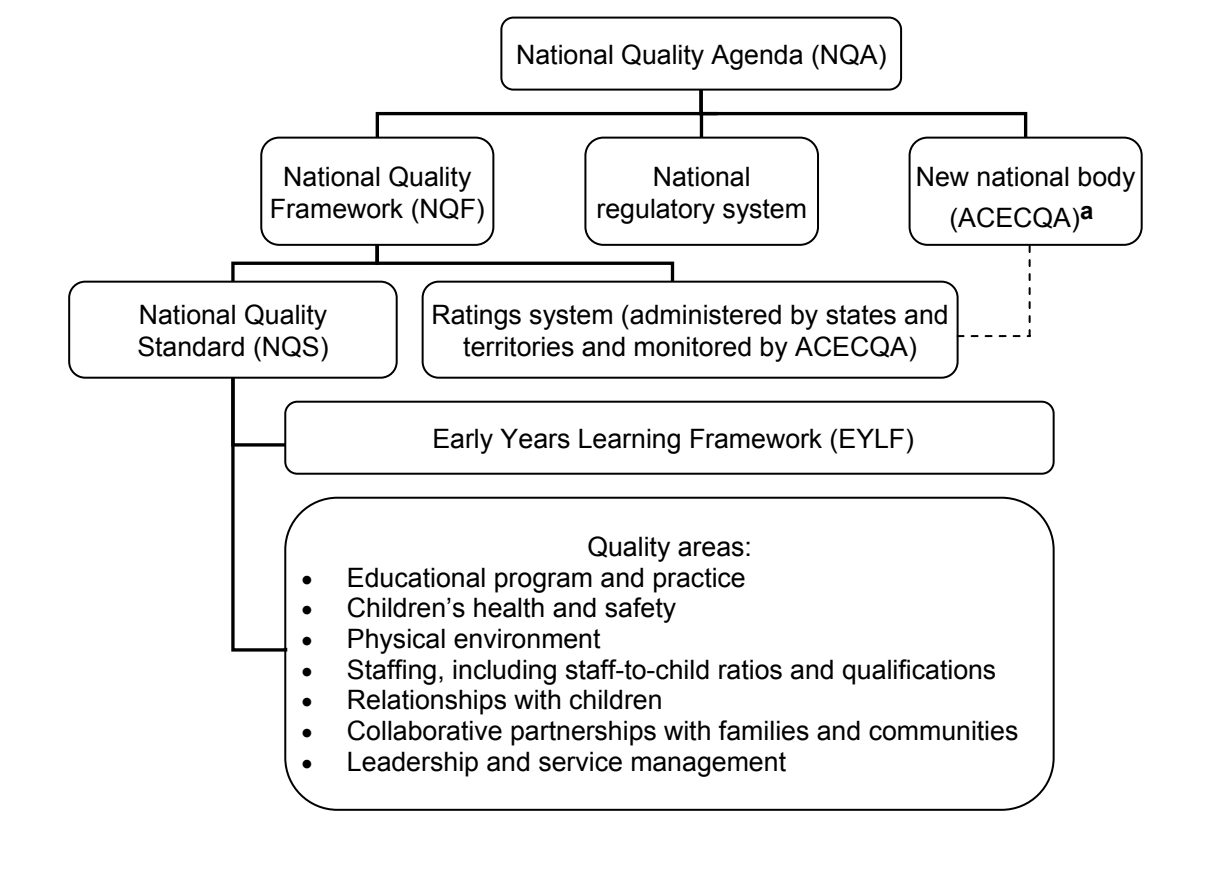
Governments are aiming to provide access for every child to 15 hours of preschool per week in the year before formal schooling by 2013. Achieving this goal will require a considerable increase in both preschool attendance rates and the number of hours of preschool offered.

The reforms also include a national early learning framework, a framework for school-aged care and a National Quality Standard that imposes nationally consistent staff-to-child ratios and qualification requirements on the ECEC workforce. This will be overseen by a national regulatory system which, among other things, will rate service quality and determine access to exemptions, known as service waivers (figure 2).

Much of the reform agenda is aimed at improving the quality of services. In order to maximise the impact of these reforms, it is imperative that comprehensive information on service quality (including on waivers) is published and readily accessible for parents.

These changes have substantial implications for the workforce. They will significantly expand demand for teachers and other qualified educators. At the same time, an increased emphasis on delivering quality services to Indigenous children will accentuate the workforce demand pressures for Indigenous-focused ECD services. The extent of these pressures will differ between jurisdictions and according to remoteness.

Figure 2      **National Quality Agenda for Early Childhood Education and Care**



<sup>a</sup> Australian Children's Education and Care Quality Authority

## The early childhood development workforce

### *The early childhood education and care workforce*

Even without the impact of the new policies, the ECEC workforce has been growing by around 4 per cent per year for over a decade, and now approaches 140 000 workers (table 3). The LDC workforce, which comprises almost half of the total ECEC workforce, has been growing particularly strongly, almost doubling in little more than a decade; though outside school hours care and preschool have also shown dramatic increases (off a lower base) in recent years.

**Table 3 The early childhood education and care workforce<sup>a</sup>**  
Number of workers

<i>Service type</i>	<i>1997</i>	<i>1999</i>	<i>2002</i>	<i>2004</i>	<i>2006</i>	<i>2010<sup>b</sup></i>
Long day care	40 100	39 800	48 012	52 105	57 816	67 975
Family day care	15 700	14 300	14 974	14 650	13 679	13 575
In-home care	na	na	144	195	203	1 051
Occasional care	2 300	800	996	953	874	769
Other child care services	900	900	958	959	713	na
Outside school hours care	11 100	16 400	24 346	26 277	29 126	30 342
Preschool	na	na	na	10 321	11 201	25 475

<sup>a</sup> Data from 2008 are not available as the Australian Government Census of Child Care Services (AGCCCS) concluded in 2006. <sup>b</sup> Data from 2010 are Productivity Commission estimates based on unpublished DEEWR data. **na** Not available.

*Sources:* DEEWR (2008); Productivity Commission estimates based on unpublished DEEWR data from the 2010 National ECEC Workforce Census; SCRGSP (2011a).

The ECEC workforce is overwhelmingly female (97 per cent) but is not homogeneous. There are two distinct groups of ECEC workers — service directors and teachers, and educators.

- Service directors and teachers comprise approximately 30 per cent of the ECEC workforce, are largely employed on a full-time basis, typically hold high-level vocational education and training (VET) or higher education qualifications, and often lead or supervise educators.
- Educators are more commonly employed on a part-time or casual basis, have VET or no qualifications and receive lower wages than the first group.

From 1 January 2014, if staff in LDC, FDC and preschools are to be counted towards regulated staff-to-child ratios they will need to have, or be working towards, a relevant qualification. At least 50 per cent of those staff in preschools and LDC centres will need to have, or be working towards, a relevant diploma or higher qualification, and the other 50 per cent will need to hold or be working towards a certificate III qualification. FDC educators will also have to be working

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towards a certificate III. Staff qualification requirements in occasional care and outside school hours care services will not change.

This will require about 15 000 more workers than without the reforms, with a higher average level of qualification, and will raise the cost of ECEC services. The increase in costs will be more pronounced for LDC centres that do not currently provide preschool programs, as they will now be required to employ teachers. The expansion of preschool programs to meet the universal access reforms will add to the increased demand for teachers.

### *The preschool, long day care and occasional care workforce*

The workforce impact of these already-agreed reforms will fall most heavily on preschool and LDC services. The supply of workers is expected to take some time to adjust, and demand is unlikely to be met in the short term. While the rapid increase in demand for qualified workers that results from this policy change can be partially met by training existing workers, many new workers will be needed to meet the reform goals.

The impact of the reforms will be more muted for occasional care services, which provide care for children on an hourly or sessional basis, often for short periods or at irregular intervals, as these services will not be subject to the National Quality Standard. However, the occasional care workforce is similar to that of LDC services, and occasional care services will face increased competition for both directors and educators following the implementation of the reforms.

The change in demand for preschool and LDC workers will differ across jurisdictions. Queensland, South Australia, the Northern Territory and the ACT will need to make substantial progress to meet the new standards. New South Wales, Tasmania and Victoria will require more modest changes to meet the Council of Australian Governments (COAG) targets, while Western Australia is already relatively close to meeting the new requirements. Western Australia currently provides universal access to preschool (but for less than 15 hours per week). In addition, ECEC services in that state are already compliant with the staff-to-child ratios specified in the new standards, though not the qualification requirements.

The rate of adjustment in supply is likely to be more rapid for VET-trained service directors and educators than it will be for teachers. The reforms increase demand for teachers, and teachers need to have *completed* a 4-year university degree before being able to fill a teacher position (though 3-year degrees held by teachers already in the workforce will be recognised during the transition period). In the case of

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service directors and educators, however, staff are only required to *be working towards* a relevant certificate III or diploma qualification.

More broadly, the supply response will be determined by the incentives provided to workers to gain the appropriate qualifications, to enter the workforce, to upgrade their qualifications where necessary, and to remain in the workforce. These incentives include pay and conditions, both absolute and relative to other occupations, and barriers to entry into the workforce such as the (monetary and opportunity) cost of obtaining or upgrading qualifications.

Recruitment and retention of ECEC workers is already adversely affected by poor pay and conditions. Staff report a significant administrative and regulatory burden in their day-to-day work, and, though survey results vary, staff commonly perceive that they receive little public recognition for their contribution to society. These factors all contribute to a perception of poor morale within the workforce.

The difference in pay and conditions between teaching positions in LDC centres and preschools will be a key determinant of the supply of teachers for LDC centres. Typically LDC centres offer lower salaries, longer hours and fewer holidays than preschools.

Further to this, many teachers who are qualified to work in ECEC services are also qualified to work in primary schools, which in most jurisdictions offer similar if not higher pay, and better professional development and support and more career opportunities, than either preschools or LDC centres. As a result, attracting and retaining sufficient teachers in LDC centres, and ECEC services more generally, will be difficult without providing pay and conditions and professional development and support that are equivalent across ECEC and primary school settings.

Existing and projected labour market pressures will make it difficult for the reform goals to be achieved within the specified time periods. Existing workforce strategies that focus on the availability and affordability of training will not be adequate to stimulate supply sufficiently to meet demand — particularly in the short term, and particularly for hard-to-staff positions.

Crucially, to attract a sufficient number of additional qualified workers to preschools and LDC centres to meet the agreed reforms, wages for many workers in these services will need to rise (though in some jurisdictions teachers in preschools are currently appropriately remunerated relative to their primary school counterparts). The cost impact will therefore be a combination of the need to recruit more workers, and the need to pay those workers and the existing workforce more than is currently the case.

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While some ECEC services may attract the extra qualified workers they need by paying above-award wages, many will struggle to do so, for a number of reasons.

- Government regulation of staff-to-child ratios and qualification requirements restrict the scope for services to achieve productivity gains and real wage growth.
- Historically, the use of award wages has been common in ECEC settings, creating a culture of remuneration based on awards. Small community organisations find paying award wages simpler than costly enterprise-level bargaining arrangements, performance-based agreements, or both.
- Government funding formulas mean that many ECEC services do not have the ability to increase wages or to pay different rates to different staff without fee increases.
- ECEC workers may feel constrained in asking for pay rises when they have to face parents who will bear the impact of fee increases.

The extent to which wages rise will be moderated by the willingness of regulators to issue exemptions or waivers from the requirements of the National Quality Standard. However, if waivers are commonplace, then the quality objectives of the agreed reforms will not be met.

### *The family day care workforce*

FDC educators' incomes are directly linked to the number of children in their care. The reforms will change the staff-to-child ratio for FDC, reducing the number of children below school age an individual FDC educator can care for in New South Wales, Western Australia, Tasmania and the Northern Territory, which may lead to a reduction in educators' income. While the reduction in income may be at least partly offset by fee increases, in some cases FDC educators will choose to leave the sector.

Under the National Quality Standard, all FDC educators will be required to hold or be working towards a certificate III qualification, typically a Certificate III in Children's Services. About 45 per cent of FDC educators do not currently hold this minimum qualification, and some FDC educators will not consider it worthwhile to begin working towards it, instead opting to exit the sector. The provision of flexible and appropriate training options will be required to limit this reduction in supply. A key barrier to qualifications is the conduct of centre-based training for the Certificate III in Children's Services. The option of in-home training and assessment needs to be available to FDC workers where centre-based training is hard to facilitate.

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FDC educators, though typically self-employed, belong to an FDC scheme. These schemes include a coordination unit that provides administrative support, and in some cases pedagogical support, to educators. Coordination units are usually funded at least partly on a fee-per-child basis. To the extent that the implementation of the new standards results in a fall in the number of children per coordination unit, it will lead to a drop in coordination unit income, and reduced demand for FDC coordinators in some jurisdictions.

### *The outside school hours care workforce*

The nature of outside school hours care as a supplementary service to formal schooling means that there is an emphasis on holistic child development through constructive play and socialisation.

The outside school hours care workforce has higher rates of part-time and casual employment than the rest of the ECEC workforce and lower levels of formal qualifications. Existing employers of outside school hours care workers show a preference for staff that are able to meet flexible working arrangements and bring a variety of skills and experience to outside school hours care programs, rather than staff with children's services qualifications. Therefore, imposing additional mandatory qualifications should be approached carefully.

Though outside school hours care has been the fastest growing area within ECEC over the past decade, outside school hours care services have to date been able to recruit sufficient staff to meet this increasing demand — at least in part because of a flexible approach to recruitment. The COAG reforms should not impose additional mandatory qualification requirements on outside school hours care services. Such requirements would be likely to create workforce shortages, increase service costs, reduce quality and restrict service supply.

### *The workforce for family support services*

Family support services provide programs that aim to improve the capacity of families to care for their children. Australian, state, territory and local governments all fund a large number of these programs, which differ in their structure and methods. Increasingly some programs are being provided within integrated ECD services, such as children and family centres. Governments will need to direct a larger share of funding for family support programs towards establishing high-quality evidence about the effectiveness of different programs, in order to obtain the greatest benefit from workers in the family support sector.

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The diversity of family support programs requires a diverse workforce with a range of attributes, skills and qualifications. As a result, the workers who deliver family support services are drawn from across the ECEC, nursing, allied health and community services workforces. In addition, volunteers and peer mentors play a significant role in some programs. Conducting robust evaluations of volunteer and peer family support programs, with a view to expanding them should they prove beneficial, is recommended.

The demand for workers to provide family support services is primarily driven by government funding and policy priorities, with individual recruitment decisions largely made by the non-government organisations that typically operate these services.

The supply of workers for family support programs is highly dependent on the employment opportunities available to those workers in their primary area of expertise (for instance, opportunities for social workers to work in other community services). Current funding levels typically only allow for the payment of wages at around award levels, and are inadequate to attract workers from other, more highly paid sectors. As a result, funding for family support services needs to be sufficient to employ workers under market wages and conditions. In addition, program funding, and therefore job tenure, is typically short-term without surety of renewal. As a result, employment in family support programs is often a less attractive option for potential workers, compared with other sectors. Governments should therefore increase the certainty and duration of funding for family support programs wherever possible.

### *The child health workforce*

Child health services monitor and support the health and development of young children. While Australian child health outcomes are good by international standards and many child health interventions are based on strong evidence, the optimal content and timing of child health visits, and the mix of skills and qualifications in the child health workforce, merits further research.

Child health services are generally, but not exclusively, staffed by nurses with postgraduate qualifications in child and family health. In Victoria, child and family health nurses are also required to be qualified midwives, though in the absence of evidence of better outcomes for children, it is recommended that this requirement not be extended to other jurisdictions — particularly if the most appropriate mix of skills and qualifications for the child health workforce are the subject of further research.

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The child health workforce is relatively small. There are about 5800 child and family health nurses in Australia, comprising around 2 per cent of the nursing workforce, and over half of these nurses work part time. As with the rest of the ECD workforce, the child health workforce is overwhelmingly female; less than 4 per cent of child and family health nurses are male.

Though there are shortages of nurses in Australia and worldwide, child and family health nursing is a relatively attractive nursing speciality. Because of this relative attractiveness, the supply of child and family health nurses is likely to increase in response to any increases in government demand for, and funding of, child health services. This suggests that additional incentives to increase the number of child and family health nurses, such as scholarships for postgraduate study, should be tested for their cost effectiveness and only provided if targeted at nurses who would not otherwise have chosen to work in hard-to-staff services. Other alternatives, such as improved professional support, should also be considered to help attract and retain child and family health nurses.

Every effort should be made to provide child and family health nurses in as wide a range of locations as possible. Nevertheless, in smaller communities in remote areas the supply of child and family health nurses is unlikely to meet demand. Providing some training in child health to remote area nurses and other existing health workers would improve service provision for children in remote areas. Aboriginal and Torres Strait Islander health workers also play, and should continue to play, a role in delivering child health services to Indigenous children.

## **Training the early childhood education and care workforce**

### *VET and higher education*

The increase in demand for qualified ECEC workers flowing from the agreed reforms will require a substantial volume of training to be delivered in a short time frame. Appropriate regulatory oversight of both VET and higher education providers is essential to ensure that training quality is maintained, and ideally improved, over this period.

While there are examples of excellence in VET, participants in this study consider that there is unacceptable variability in the quality of ECEC graduates from the VET sector. Participants expressed concerns about poor-quality training providing students with insufficient support, unreasonably short courses, and inadequate access to practicum experience. While recently introduced reforms to VET regulation show the promise of better outcomes in future, they are yet to be tested

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and further improvement is required if current and future government expenditure on upgrading the skills of ECEC workers is not to be wasted.

The children's services qualifications relevant to ECEC, which are set out in the Community Services Training Package, require updating. A review of the qualifications should be conducted by the Community Services and Health Industry Skills Council. This review should be conducted as a priority and should ensure that the training package reflects the changes to the regulatory environment for ECEC embodied in the agreed reforms, contains clearly auditable assessment requirements, and specifies that practical skills be demonstrated in a workplace environment.

A national VET regulator, the Australian Skills Quality Authority, was established on 1 July 2011 (though some VET providers will continue to be regulated by state regulators in Victoria and Western Australia). Without access to sufficient resources these regulators will struggle to develop effective means of ensuring that the improved children's services qualifications are delivered to an acceptable standard.

Recognition of prior learning (RPL) is an important element of VET. It involves using a student's existing skills and knowledge as credit towards a VET qualification. It is commonly used by workers seeking to obtain a qualification in their current area of work. There is an inherent tradeoff in RPL — the gains of retaining experienced employees and removing unnecessary training costs need to be balanced against the aim of increasing the quality of the ECEC workforce. The consistent application of RPL has been hampered by the lack of skilled trainers and assessors and a consistent assessment framework. The development of a national RPL assessment tool (proposed by the Australian Government in its 2011-12 budget) and its use by trained assessors, is likely to promote a more nationally consistent application of RPL.

ECEC reforms will result in a significant and immediate increase in demand for qualified early childhood teachers in most jurisdictions. However, the supply of teachers will be slow to adjust, as a teaching degree takes four years to complete. In addition, the capacity of the university sector to expand is limited by the availability of quality practicum experience for teaching students. To limit the supply challenge with respect to early childhood teachers, the Commission recommends that governments permit 3-year qualified teachers who are re-entering the workforce to deliver preschool programs, though with a plan to upgrade to a 4-year degree.

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### *Professional development and support*

Professional development and support augments formal qualifications and assists in the maintenance of ECEC workers' skills. It is an important means of imparting specialised skills where they are required, distributing knowledge and supporting the career development of ECEC workers.

The Commission considers that in order to gain maximum benefit from the agreed reforms, professional development programs need to be expanded and resourced so that workers are able to access professional development that:

- helps them to implement the new standards and learning frameworks
- assists in the inclusion of children with additional needs
- promotes the development of leadership and management skills
- allows workers in integrated ECD services to work effectively in those services.

Even when governments subsidise the cost of professional development courses, the cost of replacing staff while they attend courses can often impede access to professional development. This is particularly the case in rural and remote areas, where there is potential for increased use of technological solutions as a means of providing professional development opportunities.

There are many ECEC workers from culturally and linguistically diverse backgrounds, and they may need tailored support in order to implement the new standards and early learning framework.

### *Pedagogical and other leadership in early childhood education and care*

Under the agreed reforms, teachers will now need to provide pedagogical leadership (leadership in facilitating children's learning) to educators. Meeting these demands will place a considerable additional burden on service leaders.

Where voluntary committees currently manage services, it is important that professional management support, which can be delivered through shared administration and management services, is made readily available. This is likely to enable these committees, if they choose to access this management support, to better assist their services' staff in both management and leadership.

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## **Policy design and funding for effective early childhood education and care services and workforce**

The agreed ECEC reforms will result in more staff being employed per child, and more staff will be required to have higher levels of qualifications. As a result, staffing costs for ECEC services will increase, and this increase will need to be paid for by the service through lower surpluses or profits, by staff accepting less than market wages, by parents in the form of higher fees, or by governments, or a combination of these.

Under existing funding arrangements, the majority of the increase in costs for preschools will be borne by governments. As the change in cost to parents will be limited in preschools, the reforms are expected to result in a significant increase in demand for preschool services, and therefore the preschool workforce.

In the case of LDC services, under existing policy settings the increased cost will be shared between governments and parents, with the Australian Government funding up to half of the increase in costs through current childcare subsidy arrangements, the Child Care Benefit and the Child Care Rebate. However, modelling conducted by the Commission for the purpose of this study suggests that, for parents with children in LDC, out-of-pocket fees are likely to be higher than they would be without the reforms. This would be expected to lead to some decrease in demand for, and access to, LDC services. In turn, workforce demand in LDC would be expected to be lower than would otherwise have been the case.

Any reduction in access will not be felt evenly — disadvantaged children, who stand to benefit the most from ECEC services, often come from low-income families, who are more likely to withdraw their children from services as fees rise. Families who use ECEC services are often entitled to government subsidies; however, existing subsidy arrangements deliver disproportionate benefits to relatively well-off families. A move to alternative child care subsidy arrangements that emphasise targeting, such as those suggested by the Henry Tax Review, has the potential to enhance the impact of the agreed reforms by ensuring disadvantaged children continue to access quality ECEC services. At the same time, changing the structure of the subsidies is likely to deliver cost savings to the Australian Government.

While improving the targeting of existing funding has the potential to improve outcomes for disadvantaged children more generally, Indigenous children and those with additional needs gain greatest benefit from ECEC services structured to meet their specific needs. Governments will need to provide sufficient funding to

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maintain access to ECEC services for these children, in light of the fact that labour costs will increase due to the agreed ECEC reforms.

### **Developing the workforce to include children with additional needs in early childhood education and care services**

Around 4 per cent of children have chronic physical, intellectual or medical needs and 17 per cent speak languages other than English in the home. The proportion of children with additional needs appears to be increasing, and they are currently underrepresented in ECEC. To increase access for children with additional needs, further support is often required. This can include, for example, employing an additional ‘inclusion support’ worker or obtaining advice about including children from culturally and linguistically diverse backgrounds.

Government funding to support access to ECEC services for children with additional needs is currently inadequate. In many cases, the limited funding that is available is provided on a short-term basis, does not fully cover the cost of employing additional support staff, and is onerous to apply for and maintain. This makes it challenging to recruit and retain inclusion support workers, and to access other types of support. It also means that services can only afford to employ unqualified workers to provide inclusion support. Governments must address these deficiencies — by improving policies, increasing funding and enabling inclusion support workers to access training — so that all children with additional needs can attend and benefit from suitable ECEC services.

While inclusion support workers are often unqualified, many of the qualified workers in mainstream services have little experience or confidence in working with children with additional needs. Equipping both these staff and inclusion support workers with the skills required to deliver effective ECEC services to children with additional needs should be a focus of professional development programs.

#### *Allied health professionals*

Children with additional needs require the services of allied health and early intervention professionals to benefit fully from reforms agreed by COAG. A variety of allied health professionals provide ‘early intervention’ services for children with additional needs. Part-time hours, scarce professional support and limited career paths all contribute to shortages of many allied health professionals in ECD services, with particular difficulty recruiting speech pathologists. Services that employ allied health professionals and the governments that fund these services will need to address these issues, so that shortages of allied health professionals can be

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reduced and the necessary support can be provided to all children with additional needs.

### **The early childhood education and care workforce for Aboriginal and Torres Strait Islander (Indigenous) children**

Indigenous children in Australia often experience considerable disadvantage, and the extent of this disadvantage increases with remoteness. Many Indigenous children enter the first year of formal schooling behind their non-Indigenous peers in the areas of language and cognitive skills development. In recognition of this, government spending on ECEC for Indigenous children is more than twice that for other children. In addition, both the National Partnership Agreements on Indigenous ECD and on Early Childhood Education involve significant commitments to ECD for all Indigenous children.

Despite these measures, Indigenous-focused services often have poorer infrastructure and resources and fewer qualified staff than mainstream services. It is therefore concerning that many ECEC services for Indigenous children will initially be excluded from the National Quality Standard. As a result, as the new standard is applied to mainstream services, the gap between the quality of mainstream services and those for Indigenous children will widen. To avoid this, Indigenous-focused services should be brought within the scope of the National Quality Standard, with specific timeframes, milestones and budgets. To do otherwise risks entrenching disadvantage, particularly if future reforms are delivered through the Standard.

Governments' commitments to enhancing preschool for Indigenous children introduce significant additional demand for qualified teachers in Indigenous-focused ECEC services and in mainstream services attended by Indigenous children. However, securing an adequate number of appropriately skilled workers is already difficult. Many of the issues affecting the mainstream ECEC workforce described above also affect the workforce for Indigenous children, often to a greater extent. There are also significant specific issues affecting the ECEC workforce for Indigenous children, particularly in remote areas. The combination of the challenges of remoteness (box 1) and those specific to ECEC services for Indigenous children have resulted in current demand for ECEC workers for Indigenous children not being met.

In order to meet the commitments made in the above-mentioned National Partnership Agreements, extra priority funding needs to be made available so that Indigenous-focused services can attract, retain and train staff, and to ensure that additional staffing costs are not passed on to families. Multiple-year funding for

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Indigenous-focused ECEC services is necessary to provide certainty and workforce planning opportunities.

**Box 1      Attracting ECEC workers to rural and remote areas**

It is difficult to recruit and retain sufficient numbers of skilled and experienced early childhood education and care (ECEC) workers in rural and remote areas. This difficulty typically increases with remoteness, and is particularly acute for ECEC teaching positions. If the goals of the agreed reforms are to be met, governments will need to provide sufficient funding to address the challenges that living and working in rural and remote areas bring.

Governments have sought to attract additional workers to rural and remote areas by offering special allowances and other incentives. While such payments appear to increase the supply of ECEC workers in these areas, the magnitude of this increase is unknown, and alternative recruitment and retention strategies are likely to be required.

A possible recruitment strategy is to target local rural and remote residents for training in ECEC. In many sectors, workers who are recruited from, receive training in, or otherwise have experience with rural or remote areas, are more likely to continue working in those areas. Increasing the number of ECEC training opportunities in rural and remote areas would therefore be expected to improve staff recruitment and retention.

The provision of quality housing in some (mainly remote) areas is required to enhance the retention of ECEC workers in these areas. Additional efforts by governments to ensure that all ECEC workers have access to appropriate housing are therefore necessary. Another possible strategy to promote the retention of ECEC workers in isolated rural and remote settings is the establishment and promotion of professional support networks of peers and mentors, both physical and virtual.

## **A specialised integrated services early childhood development workforce?**

Integrated ECD services are emerging across Australia in various forms, and are designed to provide families with seamless access to multiple services. Integrated services typically provide ECEC, such as LDC or preschool, together with child health or family support services or both, though not necessarily at a single location. The range of services offered and the extent and model of integration varies between services, which allows the services on offer to be tailored to the needs of different communities.

The prevalence of integrated ECD services is growing as policies increasingly favour this mode of service delivery. Numerous integrated ECD services are

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planned for delivery in the next few years, targeted at areas with significant numbers of disadvantaged children, including many remote areas. The challenges faced in recruiting an appropriately skilled and experienced ECEC, child health and family support services workforce are likely to be exacerbated for these services, as working in these services typically requires additional skills and attributes.

Delivering effective integrated ECD services is challenging, and large scale programs to equip staff to work and lead integrated services have not yet been established. However, skilled cross-disciplinary leadership is essential to ensure effective information sharing between services and collaboration between workers from different disciplines.

This requirement for ‘integrated services skills’ makes staffing of integrated services challenging. It may therefore be necessary for staff to develop ‘integrated services skills’ once they are employed in an integrated service, supported by professional development programs. Professional development requirements will be intensified and require increased resourcing, especially as integrated services are commonly being targeted at disadvantaged families, further raising the skills required of integrated services staff.

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# Recommendations and findings

## Chapter 3 Government involvement in the early childhood development sector

### RECOMMENDATION 3.1

*To assist parents' decision making with respect to their choice of early childhood education and care (ECEC) services for their children, governments should require ECEC regulators to publish all relevant information on service quality. Published information should be comprehensive, comparable across services, clearly explained and easy to access.*

### RECOMMENDATION 3.2

*ECEC regulators should publish the number of service waivers granted, to whom they have been granted, and whether they are permanent or temporary.*

### RECOMMENDATION 3.3

*ECEC regulators should provide for ongoing consultation with stakeholders and timely dissemination of best practice. Governments should ensure that ECEC regulators establish effective ongoing evaluative processes so that regulatory burdens are identified and minimised.*

### RECOMMENDATION 3.4

*Where voluntary committees currently manage ECEC services, governments should ensure that professional management support (such as shared management services) is readily available to assist with management and leadership.*

### RECOMMENDATION 3.5

*In implementing the National Quality Standard, governments should ensure adequate resourcing for regulators to enable appropriate training of their staff in the new regulatory arrangements and their effective implementation.*

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FINDING 3.1

*Market pressures alone are unlikely to lead to the provision of quality early childhood development (ECD) services. An appropriate regulatory system aimed at quality improvement and assurance is required.*

FINDING 3.2

*Though the implementation of the universal aspects of the ECD policy agenda will be costly overall, the targeting of relatively small additional amounts of funding to certain aspects of the ECD workforce would deliver substantial additional benefits to the community.*

RECOMMENDATION 3.6

***Cost increases across the ECEC sector are expected as a result of the Council of Australian Governments (COAG) ECEC reforms. To ensure these cost increases do not reduce access to ECEC services by low-income families, governments should consider alternative structures for childcare subsidies that improve the targeting of childcare assistance.***

FINDING 3.3

*The anticipated increase in ECEC fees borne by parents (under existing funding arrangements) is likely to reduce demand for some ECEC services. Some parents may choose not to return to the workforce or to work shorter hours in order to care for children at home, thus reducing workforce participation.*

## **Chapter 4 The early childhood education and care workforce**

FINDING 4.1

*There are a number of impediments that restrain growth in the wages of the early childhood education and care workforce, causing them to be unresponsive to demand and rigid around the levels set by industrial awards. Many of these impediments also limit productivity growth for the early childhood education and care workforce, and may explain ongoing difficulties faced by some employers in recruiting and retaining staff.*

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## Chapter 5 The preschool, long day care and occasional care workforce

### RECOMMENDATION 5.1

*To assist in the transition to the National Partnership Agreement on Early Childhood Education, governments should permit any 3-year-qualified teachers returning to or entering the workforce to deliver the preschool program, provided a plan is in place for them to upgrade their qualification to the equivalent of a 4-year degree.*

### RECOMMENDATION 5.2

*A review of the decision to exempt occasional care from the National Quality Framework is scheduled for 2014. This review should involve a careful consideration of the full costs and benefits of including occasional care in the National Quality Framework, particularly the impacts of any fee increases for parents, and resulting impact on participation by children from low-income families.*

### FINDING 5.1

*In order to attract and retain a sufficient number of early childhood teachers to achieve the reforms set out in the National Quality Standard and the National Partnership Agreement on Early Childhood Education, salary and conditions offered by long day care centres will need to be competitive with those offered to primary teachers in the school sector. Community- and privately-managed preschools in New South Wales will also need to offer similarly competitive salaries and conditions for their teachers, which is already the case in other jurisdictions.*

### FINDING 5.2

*In order to attract and retain a sufficient number of educators with diploma qualifications to achieve the reforms set out in the National Quality Standard and the National Partnership Agreement on Early Childhood Education, wages for many educators will need to increase, particularly in long day care centres and community- and privately-managed preschools.*

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## Chapter 6 The family day care workforce

### FINDING 6.1

*To achieve the National Quality Standard, staff-to-child ratios for children under school age will increase in New South Wales, Western Australia, Tasmania and the Northern Territory. These changes are likely to lead to cost increases for family day care services in those jurisdictions, which may result in fewer children attending.*

### FINDING 6.2

*In the case of the most marginal family day care schemes, coordination unit revenue could potentially decline below the minimum threshold required for ongoing operation of the scheme, should fewer children attend family day care as a consequence of increased costs arising from the reforms.*

## Chapter 7 The outside school hours care workforce

### FINDING 7.1

*Outside school hours care focuses on holistic child development through constructive play and socialisation. Outside school hours care is also dependent on casual and part-time staff. As a result, the imposition of additional qualification requirements, or new binding staff-to-child ratios, will likely increase difficulties experienced in recruiting and retaining staff. Such changes risk decreasing the number of services available while increasing their cost and decreasing their quality.*

### RECOMMENDATION 7.1

***Given the nature of outside school hours care, governments should not impose additional mandatory qualification requirements or binding staff-to-child ratios.***

## Chapter 8 The ECEC workforce for children with additional needs

### RECOMMENDATION 8.1

***To ensure that children with additional needs benefit fully from the COAG ECEC reforms, governments should modify the structure and operation of inclusion programs and reassess funding levels so that such programs:***

- provide sufficient funding and support to enable the inclusion of all children with additional needs***
- cover the full cost of employing inclusion support workers at market wages***

- 
- *provide funding for an inclusion support worker to enable children with high support needs to attend preschool for 15 hours per week in the year before school*
  - *have simple and streamlined application processes, which do not place an undue burden on ECEC services*
  - *make funding available to ECEC services in a regular and timely manner*
  - *provide multiple-year funding, requiring re-application or adjustment only where there is a significant change in the level of need of a particular child or cohort of children.*

RECOMMENDATION 8.2

*To provide inclusion support staff with the necessary skills to ensure children with additional needs benefit fully from the COAG ECEC reforms, governments should provide additional, priority funding to cover both the cost of relevant in-service training in child development, disability and ECEC, and the cost of replacement staff.*

RECOMMENDATION 8.3

*Children with additional needs require the services of allied health and early intervention professionals to benefit fully from the COAG ECEC reforms. To enable early childhood development services for children with additional needs to sustain an appropriately skilled workforce of allied health and early intervention professionals, governments should ensure that funding for such services:*

- *is based on relevant market wages and conditions for equivalent positions*
- *takes into account the skill sets required to perform the purchased services*
- *includes provision for professional development and support.*

## **Chapter 9 The early childhood education and care workforce in rural and remote areas**

RECOMMENDATION 9.1

*To meet the workforce goals of the COAG ECEC reforms, rural and remote areas will need to attract and retain more workers. Governments should assess the cost effectiveness of existing incentives aimed at increasing recruitment and retention in rural and remote areas. These incentives should be compared against alternative strategies such as:*

- *targeted recruitment of workers from rural and remote backgrounds*

- 
- *the delivery of training in rural and remote locations*
  - *support for pre-service teachers to experience working life in rural and remote areas.*

RECOMMENDATION 9.2

*To attract and retain sufficient staff to achieve the goals of the COAG ECEC reforms for children in remote areas, governments should provide all ECEC workers in remote communities with timely access to appropriate housing at reasonable cost, including housing for students undertaking placement.*

## **Chapter 10      Training and developing the ECEC workforce**

FINDING 10.1

*Specifying nominal hours of training and practicum in the Community Services Training Package would have benefits for the quality and consistency of training in the children's services sector. If nominal hours are specified in the training package, they should be decided in consultation with relevant stakeholders and be consistent across Australia.*

RECOMMENDATION 10.1

*The Community Services and Health Industry Skills Council should, as a priority, update the Community Services Training Package to ensure that children's services qualifications:*

- *reflect recent changes to the regulatory environment for early childhood education and care (including the National Quality Standard, the Early Years Learning Framework and the Framework for School Age Care)*
- *contain rigorous, auditable assessment requirements for each unit of competency*
- *require practical skills to be demonstrated in a workplace environment.*

RECOMMENDATION 10.2

*Because the increased demand for vocational education and training (VET) qualifications within the timelines specified for the COAG ECEC reforms will pose risks to training quality, the Australian Skills Quality Authority and relevant state VET regulators should take account of these factors when undertaking risk assessments.*

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FINDING 10.2

*Since mid-2010, the framework for VET regulation has changed considerably. New organisations have been established to administer and oversee the new framework. While these changes have the potential to improve the overall quality of VET provision, including the provision of VET children's services qualifications, appropriate evaluation of their effectiveness will be required to ensure that improvement in the quality of VET provision actually occurs.*

RECOMMENDATION 10.3

***Governments should ensure that the Australian Skills Quality Authority has sufficient resources to effectively fulfil its functions, including the conduct of strategic industry audits on a regular basis.***

RECOMMENDATION 10.4

***The requirement for VET trainers and assessors to demonstrate knowledge of current ECEC practices should be enforced by VET regulators. Governments should work with registered training organisations to design and implement a program of professional development for VET trainers and assessors working in ECEC to identify and address gaps in their knowledge of current ECEC practice.***

FINDING 10.3

*Recognition of prior learning (RPL) provides a means by which both the direct and opportunity costs of training may be reduced for workers who already possess the relevant competencies. The proposed development of a national RPL assessment tool for children's services training is likely to promote efficient, effective and consistent RPL.*

RECOMMENDATION 10.5

***To facilitate access to VET for educators from culturally and linguistically diverse backgrounds, governments should ensure that programs that combine English language and ECEC training are available to this workforce.***

RECOMMENDATION 10.6

***Where centre-based training is difficult to facilitate, registered training organisations should offer in-home practical training and assessment for family day care educators as an alternative to centre-based training and assessment.***

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FINDING 10.4

*Growth of employment-based training models, such as traineeships, will have benefits for both employees and employers in the ECEC sector.*

FINDING 10.5

*Training and career pathways are emerging as ECEC is changing. These pathways are useful in attracting, retaining and increasing the skills of staff, and it is important that clear pathways for career advancement are maintained.*

FINDING 10.6

*Higher education providers appear to be equipping early childhood teaching graduates with the skills and knowledge they require, though access to quality practicum placements remains a concern.*

FINDING 10.7

*Registered training organisations are likely to play an increasing role in meeting demand for higher education qualifications for teachers. This will require strong oversight on the part of regulators responsible for quality assurance.*

FINDING 10.8

*Ongoing professional development is important for maintaining a skilled and capable workforce, allowing ECEC workers to build on base-level skills while promoting quality care. Access to support programs encourages the sharing of knowledge, and can promote staff retention.*

RECOMMENDATION 10.7

***Governments should ensure that every member of the ECEC workforce has access to appropriate professional development and support programs. In some cases (for example, community preschools), additional resources will need to be allocated in order to achieve this. Priority should be given to enabling all workers to participate in professional development that will assist them to:***

- implement the National Quality Standard, the Early Years Learning Framework and the Framework for School Age Care***
- include children with disabilities, children from culturally and linguistically diverse backgrounds and Indigenous children in ECEC services***
- enhance the leadership and governance of ECEC services***
- work effectively in integrated ECD services, where relevant.***

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FINDING 10.9

*Increased use of technological solutions such as online training packages should continue to be explored as a means of facilitating support networks, mentoring arrangements and providing structured feedback regarding interactions between children and teachers and educators. This approach requires ongoing provision of adequate resources.*

RECOMMENDATION 10.8

***Governments should not endorse or contribute funding to a registration scheme for the non-teacher ECEC workforce.***

RECOMMENDATION 10.9

***Governments should support teachers working in ECEC settings to obtain professional registration on the same basis as those working in primary schools.***

## **Chapter 11      Planning the early childhood education and care workforce**

FINDING 11.1

*Despite the large number of existing ECEC workforce policies, a lack of evaluation makes it difficult to assess which policy tools will be most effective for the Early Years Development Workforce Strategy.*

RECOMMENDATION 11.1

***The Early Childhood Development Working Group should ensure that the Early Years Development Workforce Strategy:***

- ***contains clearly identified objectives***
- ***uses sound data on the workforce and clear, robust assumptions about future policies to make projections of expected ECEC workforce demand and supply***
- ***evaluates the costs and benefits of existing workforce policies to determine the most cost-effective instrument to address supply limitations***
- ***takes into account both direct and community-wide effects in assessing cost effectiveness.***

*Funding for certificate III and diploma courses does not require graduates to remain in the sector for a minimum period of time. This may limit the effectiveness of training subsidies in increasing the supply of qualified ECEC staff. Alternative subsidy structures, such as those that are offered to students undertaking teaching degrees, can be considered to maximise the effect on labour supply.*

***To support the development, monitoring and evaluation of the Early Years Development Workforce Strategy, governments could usefully consider:***

- ***improving access to the National Census of Population and Housing***
- ***incorporating ECEC service costs in the National Early Childhood Education and Care Workforce Census.***

## **Chapter 12      Child health workforce**

***To demonstrate the cost effectiveness of child health services and better inform consideration of the mix of skills and qualifications in the child health workforce, state and territory governments should work with child and family health nurses to improve the evidence base for child health services. In particular, further research should seek to determine the optimal content, number and timing of child health visits.***

***Incentives to attract nurses to study child health, and to retain child and family health nurses in underserved locations, should be tested for their cost effectiveness. Scholarships for postgraduate study in child health nursing should only be provided where they are targeted at nurses who would not otherwise have chosen to practice in demonstrated areas of workforce shortage. Alternatives, such as increased funding for professional support programs, should also be considered.***

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RECOMMENDATION 12.3

*In order to reduce unnecessary costs and obstacles to attracting new child and family health nurses, state and territory governments should not require child and family health nurses to have qualifications in midwifery in addition to their qualifications in nursing and in child health, where such a requirement does not already exist.*

FINDING 12.1

*While child and family health nurses are, on average, older than other nurses, this reflects their higher level of qualifications and experience and does not appear to be a cause for concern.*

RECOMMENDATION 12.4

*Governments should provide access to child and family health nurses in as wide a range of locations as possible. In areas where this is not possible, other health professionals, such as remote area nurses and Aboriginal and Torres Strait Islander health workers, should receive training in child health.*

## **Chapter 13      Workforce for family support services**

RECOMMENDATION 13.1

*In order to ensure that family support services can sustain their workforces, and as wages are a major factor in the successful recruitment and retention of staff, government funding for family support programs should:*

- *be based on relevant market wages and conditions for equivalent positions*
- *take into account the skill sets required to perform the purchased services*
- *be indexed appropriately to market wage growth within the relevant industry sector.*

RECOMMENDATION 13.2

*In order to facilitate better workforce planning by services and the attraction and retention of staff, governments should increase the certainty and duration of funding for family support programs wherever possible.*

*In order to obtain the greatest benefit from workers in the family support sector, governments should direct a larger share of funding for family support programs towards obtaining high-quality evidence about the effectiveness of different programs through longitudinal studies and robust program evaluations.*

*In order to obtain better evidence on the effectiveness of family support programs delivered by volunteers and peers, governments should evaluate such programs on a wider scale, with a view to the expansion of such programs if they prove to be effective.*

## **Chapter 14      The ECD workforce for Indigenous children**

*Limited data availability on Indigenous-focused ECEC services, including their workforce, prevent thorough analysis, reducing governments' ability to plan and deliver these services effectively.*

*To achieve the COAG ECEC reform goals governments should:*

- *bring all Indigenous-focused ECEC services into the scope of the National Quality Standard, before the review planned for 2014*
- *have a structured plan with agreed targets, and allocate additional funds to ensure all Indigenous-focused ECEC services achieve a rating of Meeting National Quality Standard or above within a specifically agreed timeframe, without the need for waivers.*

*A continued focus across all levels of government on coordination of Indigenous policy is necessary to avoid duplication and ensure optimal use of scarce resources.*

*Alternative models of service delivery for Indigenous-focused ECEC services are being developed and trialled. Expansion of these models, and possible development of new ones, will be required to meet desired quality outcomes for Indigenous children.*

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RECOMMENDATION 14.2

***ECEC services must meet cultural competency standards to receive National Quality Standard endorsement. The Australian Children's Education and Care Quality Authority should:***

- ***consult with relevant stakeholders to develop clear and effective Indigenous cultural competency guidelines for ECEC services with Indigenous children***
- ***ensure National Quality Standard assessors are appropriately skilled to assess cultural competency.***

RECOMMENDATION 14.3

***To meet the goals of the Closing the Gap: National Partnership Agreement on Indigenous Early Childhood Development and the COAG ECEC reforms, more workers, and more highly skilled workers, will be required to work in Indigenous-focused services. To support service-level workforce planning and to provide for greater certainty to facilitate more effective attraction, retention and training of staff in Indigenous-focused services, governments should:***

- ***give priority to the provision of quality ECEC services for Indigenous children, without passing on extra costs to parents***
- ***provide multiple-year funding for Indigenous-focused ECEC services.***

FINDING 14.4

*Ongoing support for Indigenous children is necessary as they make the transition to formal schooling, to ensure the benefits they gain from ECEC are maintained as they advance through the education system.*

RECOMMENDATION 14.4

***As part of the broader Early Years Development Workforce Strategy agreed by COAG, governments should work together to develop a coordinated workforce strategy that builds on workforce plans in each jurisdiction, so that priority is given to placing suitably qualified staff in Indigenous-focused services. This should include a specific plan to build the Indigenous ECEC workforce.***

RECOMMENDATION 14.5

***ECEC services should consider offering more flexible employment arrangements, such as access to additional leave with adjusted pay arrangements for legitimate absences, to attract and retain Indigenous staff.***

*VET and higher education institutions should apply student-centred design principles to the design and delivery of courses for Indigenous students. Sufficient resources must be provided to ensure Indigenous students are suitably supported throughout their training.*

*To assist Indigenous students to prepare for study to qualify to work in ECEC settings, priority funding from state and territory governments for certificate I and II training will be required for students in remote areas.*

*To achieve the COAG ECEC reform goals, the Australian Government should make available additional funding for Indigenous Professional Support Units so that:*

- *general Indigenous cultural competency training can be provided to all staff without such competency working in mainstream ECEC services with Indigenous children*
- *tailored professional development on Indigenous cultural competency can be provided to staff working in Indigenous-focused ECEC services where there is demonstrated need*
- *the units can provide sufficient professional development and support to Indigenous staff.*

## **Chapter 15      The integrated ECD services workforce**

*Future ECD workforce censuses and surveys should identify integrated ECD services separately to facilitate analysis of the workforce and subsequent policy development.*

*A more flexible approach to the pay and conditions of different occupations will be necessary to avoid recruitment and retention problems in integrated ECD services and to foster true integration.*

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FINDING 15.2

*Postgraduate studies to support the integrated ECD services workforce, with a particular emphasis on management and leadership, are emerging.*

RECOMMENDATION 15.2

***The Community Services and Health Industry Skills Council should consider introducing optional integrated ECD services VET qualifications:***

- ***that focus on leading and managing integrated ECD services***
- ***for early childhood educators and other workers at the certificate or diploma level in integrated ECD services.***

RECOMMENDATION 15.3

***The Professional Support Program should provide introductory professional development in integrated ECD services to ECEC staff working in such services. Consideration should be given to the provision of similar courses for managers of such services.***

RECOMMENDATION 15.4

***The Australian Government should consider if workers in non-ECEC components of integrated ECD services should have access to professional development under the Professional Support Program. Further, the Early Years Development Workforce Strategy should focus on the professional development requirements of the integrated ECD services workforce, and how to meet them.***

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# 1 Introduction

The Productivity Commission has been asked by the Council of Australian Governments (COAG), through the Australian Government, to undertake a study of the Education and Training Workforce. The Commission was asked to examine, in turn, the vocational education and training (VET), early childhood development (ECD) and schools workforces. This report on the ECD workforce is the second report from this suite of studies, following the publication of the VET report in May 2011.

The ECD workforce plays a crucial role in delivering the quality ECD services that, working in concert with Australian parents and other caregivers, help most Australian children to meet developmental milestones and to be well-prepared to enter primary school. Early childhood education and care (ECEC), child health and family support services all contribute to this generally positive situation.

The ECD sector in Australia is currently the subject of major reforms which will have far reaching implications for the sector's workforce. This report looks at the workforce issues that must be addressed to successfully implement these already-agreed reforms, as well as to ensure that every child can access the quality ECD services that are already available to most children.

The policy reforms, introduced by COAG, aim to further enhance the quality of early childhood education and care, provide universal access to early childhood education and place a new emphasis on Indigenous early childhood development. The COAG changes, in particular those targeting quality, reflect the view of governments across Australia that learning and healthy development in the early years are particularly important. For example, in its submission to this study the Victorian Government stated that:

The importance of the time from birth to eight years of age is now widely recognised and supported by evidence from both neurological and social sciences. During this period, children experience more rapid brain development and acquire more skills and knowledge than at any other period in their lives. This evidence has informed Victoria's decision to adopt a birth to eight approach to early childhood services. (sub. 87, p. 7)

With governments focusing on the importance of the early years to future wellbeing (including productivity) has come an emphasis on education as well as care for

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young children, and the adoption of national frameworks to guide the services offered in ECEC and in school-aged care. Governments are also introducing increasingly stringent regulatory standards, and mandating qualifications for staff in many ECD services.

While some jurisdictions will find the transition to the new standards more difficult than others, taken together, the COAG changes will have a significant impact on the ECD workforce across the country. This will be the case both in terms of the increase in the number of workers required, and the higher qualifications and skills that will be demanded of those workers. The impact of these changes will be most profound in ECEC, especially in long day care, preschool and family day care.

This report examines the workforce implications of the COAG changes. It discusses whether and how the COAG workforce requirements can be met, particularly in the agreed timeframe. Where these requirements cannot be met within the desired timeframe, it examines the appropriateness of various prioritisation strategies and policy responses. Looking further ahead, the report examines what might need to be done to sustain and plan the ECD workforce into the future.

This report discusses the ECD workforce in the context of likely developments within the sector. The number of children with additional needs making use of ECD services appears to be growing, and rural and remote settings present their own particular challenges. Improved access to quality ECD services is also seen as a way to address Indigenous disadvantage. Methods of delivering a workforce of sufficient size and with the requisite skills to meet the challenges resulting from the COAG reforms are also examined.

## **1.1 What has the Commission been asked to do?**

In relation to the ECD workforce, the Commission is required to consider and advise on the:

- current and future demand for the workforce, with particular regard to the skills required to meet society's needs
- current and future supply of the workforce, in terms of numbers, knowledge and skills
- workforce composition that most effectively and efficiently delivers desired outcomes
- appropriate directions and tools for workforce planning and development
- other factors of notable significance for the ECD workforce.

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In addition, the Commission has been asked to consider:

- whether current sectoral and jurisdictional boundaries limit innovation and flexibility in workforce planning, development and practices
- factors that impact on building Indigenous workforce capability.

While the Commission has undertaken a separate study of the VET workforce, the extensive use of VET qualifications in the ECD sector means that this study includes an examination of the VET sector as appropriate, particularly in relation to training ECEC workers. Further to this, ECD services play an important role in preparing children for subsequent schooling, and there is considerable movement between the ECD workforce and schools workforce. Some examination of the interface between ECD and schooling is therefore required. Child health and family support services employ workers from a range of disciplines, notably nursing and various allied health professions. The factors that contribute to attracting these professionals to ECD services, and equipping them to provide ECD services, are also considered.

The terms of reference require the Commission to focus on aspects of the operation, performance and governance of the ECD workforce. However, as the ECD sector and its workforce are inextricably linked, the Commission also comments on certain features of the overall ECD sector, where these features are pertinent to the study of the workforce.

## **1.2 Why is the ECD workforce study important?**

The extent of the policy and regulatory changes occurring in the ECD sector and their impact on the sector's workforce suggest that there is a need for a detailed workforce study. The regulatory changes will impact most significantly on the ECEC workforce, and as a result this study emphasises this, the largest component, of the ECD workforce.

The changes that are currently being implemented in the ECEC sector will increase demand for ECEC services and therefore demand for ECEC workers. In addition, the number of workers involved in providing a given level of service, and the qualifications required of those workers, will also increase. This increase in demand for qualified workers will occur in an environment where supply is already limited.

... there are current shortages of staff, varying across jurisdictions and influenced by local labour market conditions. (DEEWR, sub. 86, p. 25)

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This suggests that, in order to deliver the workforce to meet the requirements of the COAG changes, an appropriate workforce strategy is required. The need for such a strategy is demonstrated by the experience of similarly extensive changes overseas, where timeframes have often been found to be overly ambitious leading to programs being scaled back (box 1.1).

**Box 1.1      Lessons from other countries' experience**

An examination of the early childhood development (ECD) systems and workforces of Denmark, France, New Zealand, the United Kingdom and the United States can usefully inform ECD policy development in Australia (appendix D).

The recent Australian reforms most closely follow those in the United Kingdom and New Zealand, where increased qualification levels, greater access to preschool and a more formalised regulatory and curriculum structure have been introduced. The scope and speed of reforms have been wound back to some extent in both jurisdictions, sounding a note of caution to the ambitious Council of Australian Governments (COAG) changes being implemented in the Australian early childhood education and care (ECEC) sector.

None of the five countries examined require all workers in ECEC services to hold qualifications in education or children's services. In the case of New Zealand, a target for all ECEC staff in the majority of services to be qualified teachers was adopted, only to be subsequently rolled back due to an inability to attract, train and pay for sufficient teachers. In Australia, given the expected increase in demand for qualified staff under the COAG ECEC reforms, if the supply response is tepid current timelines for implementation may need to be adjusted.

While staff-to-child ratios are commonly used as a means of assuring quality in ECEC services, there is considerable variation between countries in the chosen ratios. The evidence base for staff-to-child ratios is also inconclusive (appendix C).

In Denmark, France, New Zealand and the United Kingdom, preschool education is available to all children in the year (or years) before formal schooling and is provided by a degree-qualified teacher. However, compared to primary schools, both preschools and ECEC services more generally find it harder to attract qualified staff. All of these countries struggle to increase the proportion of men in the ECD workforce.

Except in Scandinavian countries, demand for both ECEC services and ECEC workers typically exceeds supply. The supply of ECEC workers in Australia is unlikely to meet demand without increases in wages and reductions in training costs and other barriers to entry to the labour market.

In all countries examined, parents, families and volunteers play a role in providing ECD services. When delivered according to curriculums or program guidelines, these services can be very effective.

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To attract new workers to the sector, encourage them to obtain the required qualifications, and remain in the sector, appropriate rewards in the form of both pay and conditions will need to be offered, as currently:

... ensuring supply of qualified staff has many challenges including comparatively low wages ... limited career opportunities ... The lack of flexibility and difficult hours of work (split shifts, rotating shifts) do not make this career choice attractive ... (Penrith City Council, sub. 74, p. 5)

The modern awards, designed to provide a ‘safety net’ wage, include wage rates that are unlikely to attract and retain sufficient workers to meet increasing demand. To meet rising demand, services are likely to have to pay above-award wages, imposing significant costs for governments and families.

While the policy landscape now recognises the trend towards a more highly skilled ECEC workforce, the industrial landscape has not kept pace. At the heart of this study is the mismatch, referred to by many study participants, between the pay and conditions available in the sector on one hand and the work skills and qualifications required on the other. An issue of particular concern to study participants was the difference in the remuneration and working conditions of teachers in early childhood services, compared to those available to teachers in schools.

Improved working conditions for [early childhood teachers] and pay parity with teachers employed in the school sector is critical to attracting and retaining teacher professionals. (Institute of Early Childhood, Macquarie University, sub. DR158, p. 5)

Attracting sufficient numbers of staff is one challenge. A second challenge is that these staff will also require appropriate qualifications, with the majority of these being delivered by the VET sector. There are significant concerns in the sector about training quality as:

... the training of staff has deteriorated dramatically with the proliferation of private enterprise Registered Training Organisations (RTOs). The quality of both Certificate III and Diploma graduates is so bad that many Children’s Services Centres have fewer staff than they would like, rather than employing someone who is so poorly trained as to be a danger to the children. (Victorian Children’s Services Association, sub. 43, p. 1)

With the advent of the COAG changes, demand for training will increase significantly. This may lead to a perverse outcome as:

... the new National Quality Framework makes for an attractive business opportunity for [RTOs]. This is likely to see an increase in the number of RTOs adding the relevant qualifications to their scope, including those with less impressive credentials and experience. (Mission Australia, sub. 12, p. 12)

The quality objectives of the COAG changes will only be achieved if workers receive quality training — that is, training that delivers the skills necessary to

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provide quality ECEC services. The issue of training quality is therefore treated extensively in this report.

While obtaining a workforce to meet the demands of the COAG changes in a universal sense is the overarching objective of this report, a range of other specific challenges are also addressed. There are challenges faced in recruiting workers even for mainstream, urban services, but these challenges are multiplied in certain cases, particularly in rural and remote areas ‘... where it is more difficult to attract degree-qualified professionals’ (DEECD, sub. 87, p. 10).

Incentives [will] need to be made available to attract and keep qualified staff in areas where it is difficult to attract applicants [such as] in rural and remote areas. (NIFTeY NSW, sub. 36, p. 3)

Additional challenges will be faced by the services that are willing to incorporate children with additional needs into their programs.

The current practice of minimal funding to mainstream services to include children with a range of high support developmental and medical needs is largely inadequate. (KU Children’s Services, sub. 26, p. 3)

Training for specialised staff to meet the demands of children with additional needs is also lacking. In particular:

Recent graduates do not always have the skill of including children with a disability. (SDN Children’s Services, sub. 31, p. 6)

Many Indigenous children suffer significant disadvantage. Given that ECD services deliver the greatest gains to the most disadvantaged children, access to ECD services and the quality of those services for Indigenous children should be prioritised — this is a major finding of this report. However, the supply of workers for Indigenous-focused services is severely limited, and attraction and retention of staff is particularly challenging.

The workforce supply challenges faced by Indigenous-focused ECD services are exacerbated by the strong trend towards integrated service delivery in the ECD sector, and the particular emphasis being placed on the integration of services delivered to Indigenous children. These integrated Indigenous-focused services are often located in rural, remote or very remote settings, and require ‘a greater level of experience, skills and qualifications’ to support the delivery of integrated ECD services (Benevolent Society, sub. 49, p. 17).

Integrated services also employ workers with skills in providing child health and family support services. While child and family health nursing is a relatively attractive nursing specialty, it remains difficult to attract workers to family support services, as they typically offer comparatively low wages and insecure employment.

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Both the child health and family support workforces face similar challenges, including the need for further research to determine which services and programs are most effective. This will in turn inform consideration of the optimal mix of skills and qualifications for these workforces.

This report examines the ECD sector and ECD workforce challenges in detail. Much of the analysis presented here is intended to inform the development of an ECD workforce strategy. This strategy will be needed in order to deliver a highly skilled workforce in sufficient numbers to achieve the outcomes specified in the COAG agreements, and to continue to provide high-quality ECD services for Australia's children.

### **1.3 Conduct of the study**

In keeping with the *Productivity Commission Act 1998* (Cwlth), the Commission conducted this study using open, transparent and public processes, and with an overarching concern for the wellbeing of the Australian community as a whole.

The Commission published an issues paper in November 2010 and met with a wide range of individuals and organisations with an interest in matters contained in the terms of reference, including: ECD providers and practitioners; industry bodies; unions; professional groups; academics; child advocacy bodies; Indigenous organisations and officials from the Australian, state and territory governments. Visits were conducted throughout Australia, including in regional areas. An initial roundtable was held with invited stakeholders in Sydney in February 2011.

A draft report was released on 30 June 2011. It contained the Commission's analysis, conclusions and draft recommendations as at that time, as well as requests for feedback on particular issues. The draft report was distributed widely and made available on the Commission website.

In August and September 2011, the Commission held further roundtables in Brisbane and Melbourne to allow participants to respond to the proposals contained in the draft report.

The Commission developed a mathematical model to support its analysis of the ECEC workforce. The model and its results are summarised in appendix E. Feedback on drafts of this appendix was sought from the Department of Education, Employment and Workplace Relations, the Victorian Department of Education and Early Childhood Development and two academic referees. Subsequent to this, a roundtable to discuss the Commission's modelling approach and results was held in Melbourne in late October 2011.

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The Commission received written submissions from a range of participants with an interest in the ECD sector. A total of 87 submissions were received prior to the release of the draft report and a further 276 submissions were received since its publication. This includes a personal submission that the author was willing to make public on a ‘name withheld’ basis, and one submission that was received in identical form from 150 separate parties. Submissions are available on the Commission website, where they will remain indefinitely. Appendix A provides details of the individuals and organisations who participated in the study through submissions, visits or participation at roundtables or a combination of these.

The Commission expresses its gratitude to all those who participated and contributed to this study. In particular, the Commission wishes to thank the Department of Education, Employment and Workplace Relations for providing access to data from the 2010 National ECEC Workforce Census.

## **1.4 Structure of the report**

The remainder of this report is structured as follows.

- The ECD sector is initially described (chapter 2), followed by a discussion of the role of government in the sector, along with an examination of the rationale for government involvement in ECD (chapter 3).
- A detailed description of the ECEC workforce (chapter 4) is followed by an examination of the issues facing the workforces for preschools, long day care and occasional care centres (chapter 5), family day care (chapter 6) and outside school hours care (chapter 7). The additional challenges faced in obtaining a workforce to provide quality ECEC for children with additional needs (chapter 8) and for children in rural and remote areas (chapter 9) are then examined, and a range of possible responses are canvassed. The training needs of the workforce and the institutional arrangements to deliver training and professional development are discussed (chapter 10), followed by an examination of possible workforce planning approaches (chapter 11).
- The child health (chapter 12) and family support services (chapter 13) workforces are then examined.
- The additional challenges faced by the workforce delivering ECD services to Indigenous children are discussed (chapter 14). Policy responses to these challenges are increasingly focused on the delivery of services to these children in integrated settings. Integrated ECD service delivery is also becoming increasingly common in mainstream ECD services, and the workforce needs of integrated services are examined in detail (chapter 15).

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The report also contains seven appendixes, all of which are available on the study website at [www.pc.gov.au](http://www.pc.gov.au) (under ‘projects’). A full list of appendixes is contained in the table of contents. The printed report contains all 15 chapters but only one appendix, which details the consultations undertaken for the study (appendix A).



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## 2 The early childhood development sector

### Key points

- The early childhood development (ECD) sector provides early childhood education and care (ECEC), child health and family support services. These services are primarily used by children up to school age and their families.
- ECEC comprises different types of services that are increasingly combining education and care. Examples include long day care, preschool, occasional care, family day care, and outside school hours care. There are more than 16 000 ECEC services in Australia, attended by over one million children.
- Long day care is the most popular service, attended by over 543 000 children. There are nearly 6000 long day care centres that are predominantly managed by private, for-profit companies.
- There are nearly 5000 preschools, which are typically managed by government and community organisations, and offer services to over 213 000 children.
- Outside school hours care services have registered the fastest growth in the ECEC sector in the past decade, and they now cater for over 342 000 children.
- Most funding for ECEC comes from governments, through a mix of subsidies paid to parents and payments to services. Current annual government expenditure (excluding local governments) on ECEC is \$4.7 billion, and it is expected to rise in coming years.
- The regulatory framework of ECEC is complex and often inconsistent. This can lead to fragmented and inefficient service delivery.
- Child health services are among the most commonly used ECD services, and are fully funded and provided by governments. Child and family health nurses represent about 2 per cent of the nursing workforce.
- Governments fund hundreds of family support programs and services. These are mostly targeted at disadvantaged children and families. However, the most vulnerable families are the least likely to access services.
- Integrated ECD services are being established at an increasing rate, particularly in areas of high disadvantage.
- The Council of Australian Governments' ECEC reforms reflect a new approach to quality, regulatory consistency and service delivery. While providing benefits, the reforms pose significant challenges.

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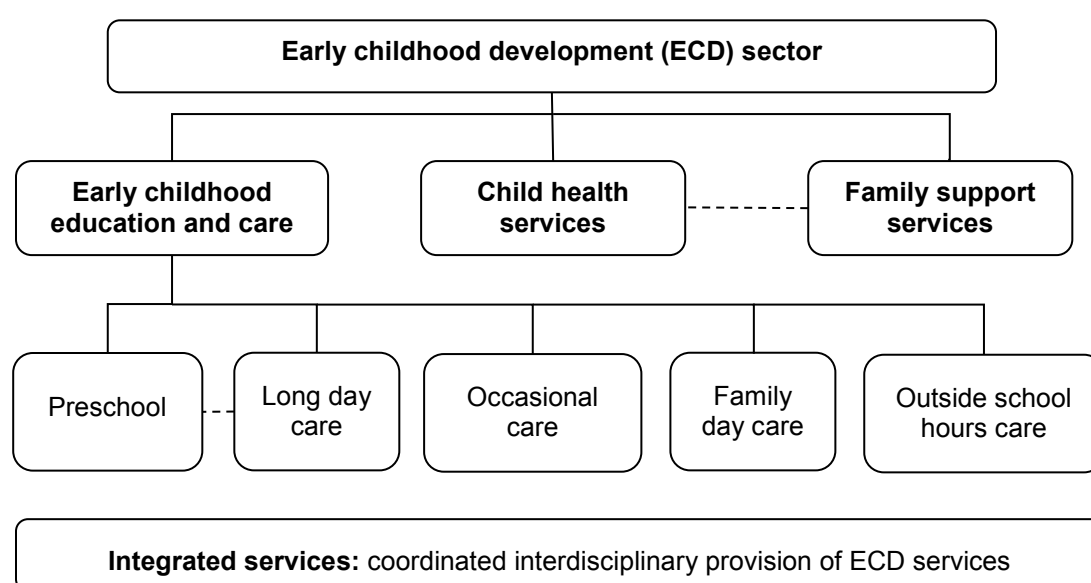
## 2.1 What are early childhood development services?

The early childhood development (ECD) sector comprises services that aim to foster the health, education and care of young children. These services include:

- early childhood education and care (ECEC) services
- child health services
- family support services (figure 2.1).

Figure 2.1 The early childhood development sector

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This study focuses on services for children up to school age, except for outside school hours care, which can cater for children up to 12 years of age. Services discussed are those that require government licensing, registration, accreditation or control — informal childcare arrangements, for example, fall outside the scope of this study (see below).

### Early childhood education and care services

Responding to changes in the community's needs and government policies, ECEC has evolved to include a wide variety of services. In 2009-10, there were over 16 000 ECEC services operating in Australia. This includes more than

4800 stand-alone preschools and nearly 11 500 child care services — long day care, occasional care, family day care and outside school hours care (table 2.1).<sup>1</sup>

**Table 2.1 Early childhood education and care services, 2009-10<sup>a</sup>**

	<i>Services<sup>b</sup></i>	<i>Places offered<sup>c</sup></i>	<i>Children attending<sup>d</sup></i>
Long day care	5 781	318 894	543 539
Preschools	4 809	na	213 446
Occasional care <sup>e</sup>	85	2 728	6 401
Family day care	328 schemes 12 060 educators	73 456	93 738
Outside school hours care	5 303	316 316	342 261

<sup>a</sup> Includes child care services approved by the Australian Government, and preschools that are funded or provided by state and territory governments. <sup>b</sup> Productivity Commission estimates based on unpublished DEEWR data from the 2010 National ECEC Workforce Census. <sup>c</sup> Figures are estimates based on the 2009 March quarter and do not represent an annual total. Figures are sourced from SCRGSP (2011a). <sup>d</sup> All figures except preschool attendance are Productivity Commission estimates based on unpublished DEEWR data from the 2010 National ECEC Workforce Census. Children may attend more than one type of care, and the majority do not attend full time. Therefore, the number of children generally exceeds the number of full-time places. Preschool enrolment figures are sourced from SCRGSP (2011a). <sup>e</sup> These figures significantly under-represent the size of the occasional care sector. Many occasional care services are not approved by the Australian Government to administer the child care benefit, and hence will not be counted here. The Report on Government Services (SCRGSP 2011a) puts the number of licensed and registered occasional care services at 746 in 2009-10. In 2008, about 25 000 children attended occasional care services (ABS 2008b). **na** Not available.

*Sources:* Productivity Commission estimates based on unpublished DEEWR data from the 2010 National ECEC Workforce Census; SCRGSP (2011a).

Long day care (LDC) centres offer care and education for children from birth until the start of formal schooling. They operate in purpose-built centres, and are usually open from 7.30am to 6.00pm for 48 weeks of the year. In recent years, the provision of structured education programs has become increasingly important in LDC, with 55 per cent of services offering in-house preschool programs, delivered mostly by teachers with diplomas or university qualifications (Productivity Commission estimates based on unpublished DEEWR data).

While the number of LDC centres has been increasing, the number of stand-alone preschools has declined. Preschools (known as kindergartens in some jurisdictions)<sup>2</sup> mostly offer educational programs to children in the year before formal schooling.<sup>3</sup>

<sup>1</sup> Data on ECD services often differ between sources, due to definitional issues and regulatory structures. Figures used here are sourced from the Report on Government Services (SCRGSP 2011a) and Productivity Commission estimates based on unpublished DEEWR data.

<sup>2</sup> These services are known as kindergartens in Victoria, Queensland, Western Australia, South Australia and Tasmania, and as preschools in New South Wales, the Northern Territory and the ACT. The Commission will refer to these services collectively as preschools.

<sup>3</sup> In addition to educational programs in the year before formal schooling (usually attended by 4-year-olds), some preschools also offer programs for younger children.

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They tend to operate for shorter hours than LDC centres on a ‘sessional’ basis, and are only open during school terms.

Occasional care (OC) caters for children that require short-term ECEC services, on a regular basis or to suit family needs. These services have experienced limited growth in recent years (SCRGSP 2011a).

Family day care (FDC) is provided by educators in their own home. The provision of services is usually managed through a coordination unit that links together a number of FDC educators.

Outside school hours care (OSHC) comprises services for children before and after school hours and during vacations, and is the fastest growing part of the ECEC sector (SCRGSP 2011a).

The vast majority of LDC and FDC services are approved by the Australian Government.<sup>4</sup> They are considered to be mainstream services and their fees are subsidised. There are also about 340 non-mainstream services operating mainly in regional, remote or Indigenous communities, where mainstream services are not sustainable. Examples include Multifunctional Aboriginal Children’s Services and mobile child care services. The Australian Government funds the operating costs of these services (DEEWR 2011e).

## **Child health services**

Child health services focus primarily on monitoring and promoting the health and wellbeing of children (Schmied et al. 2008). A schedule of monitoring visits is offered to all children in all jurisdictions, and specialist and targeted services are available for children and families with additional needs. In 2008, 5788 nurses reported working in child health, representing just over 2 per cent of the nursing workforce (AIHW 2010) (chapter 12).

## **Family support services**

Hundreds of family support programs and services are operated by governments and community organisations. They differ in scope, from universal advice phone lines, to educational programs that promote positive parenting, to highly targeted and

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<sup>4</sup> To be approved to administer the child care benefit, a service needs to be licensed by the state regulator, participate in a national quality assurance program and comply with administrative requirements (appendix F).

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intensive support and intervention programs. Their general aim is to improve family capacity to care for children (AIHW 2001) (chapter 13).

### **Links with other sectors**

Some services provided to children fall outside the scope of this study, despite being closely related to early childhood development. While the study will discuss services provided to children with additional needs, it will not cover disability services. It will focus on universal services, and those that are designed to support the inclusion of children with additional needs in mainstream services. Child protection services and out-of-home care are also outside the scope of this study, though there are often links between them and the ECD services discussed here.

ECD services, and in particular ECEC, are increasingly viewed as playing an important role in the education of young children. However, this study will not cover the early years of formal schooling, as they will be addressed by the Commission's Schools Workforce study, forthcoming in 2012.

This study will focus on the workforce for regulated ECEC services that are delivered for a fee outside the child's home. Informal child care, by family, friends or neighbours, and in-home care services are excluded, as they fall outside the scope of recent policy reforms (chapter 3).

## **2.2 Who provides early childhood development services?**

ECD services are provided by government, community (not-for-profit) and private (for-profit) organisations, reflecting community preferences and the market forces operating within each part of the sector. Governments have been slowly withdrawing from the direct provision of ECEC services, but they continue to provide child health and some family support services.

### **Early childhood education and care: a mixed market**

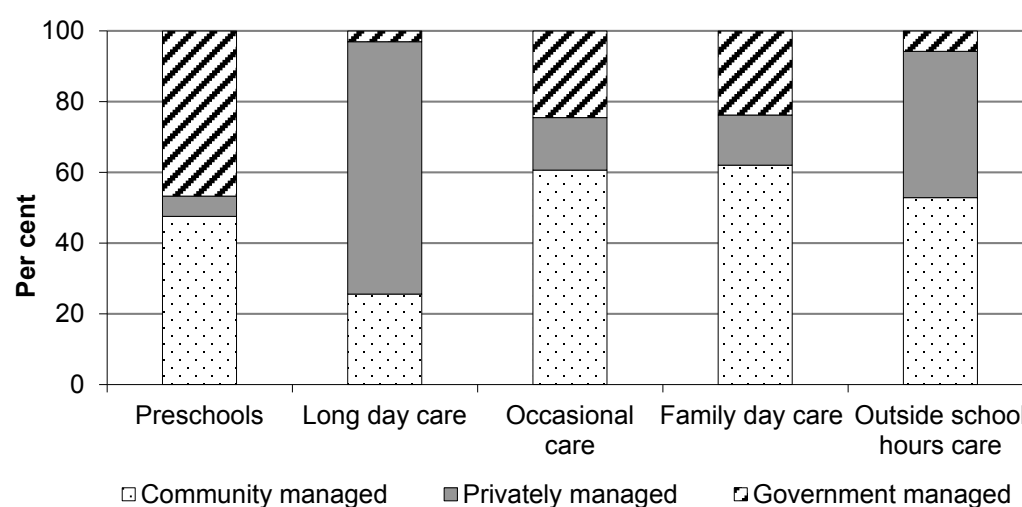
Though some differences exist between jurisdictions, LDC services are primarily provided by private, for-profit operators (figure 2.2).<sup>5</sup> They account for 71 per cent

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<sup>5</sup> Despite their for-profit status, the ABS estimated that, on average, private operators of ECEC services ended 2008-09 with losses, while not-for-profit operators generated small surpluses. Not-for-profit operators spent a larger proportion of income on labour, but their rent and interest costs were substantially lower compared with for-profit providers (ABS 2010c).

of centres (community-managed services represent 26 per cent, and governments manage 3 per cent of centres). Most of them operate single centres; a few have evolved into franchised chains. ABC Learning was the largest of these chains, operating over 1000 centres in Australia and overseas before its financial failure in 2008. Most former ABC Learning centres have been taken over by GoodStart Childcare, a consortium of not-for-profit organisations assisted by the Australian Government (DEEWR 2010k).<sup>6</sup>

**Figure 2.2 Early childhood education and care services, by management type, 2009-10<sup>a,b</sup>**



<sup>a</sup> Data do not include services managed by non-government schools. <sup>b</sup> Data include only FDC coordination units. Data are not available for the Northern Territory.

Source: SCRGSP (2011a).

Community organisations and state and local governments are the key providers of OC and preschool services; however, there are substantial differences between jurisdictions.

- In New South Wales, Victoria and Queensland, preschools are primarily community-managed, while elsewhere preschool is predominantly a government service (SCRGSP 2011a). Apart from stand-alone preschools, a variety of other providers, such as primary schools and LDC centres, also offer early childhood education programs (APH 2008).

<sup>6</sup> After ABC Learning was placed in administration, the Australian Government provided support for the receivers to continue operating the centres during the transitional period. It later gave the GoodStart consortium a fully payable loan of \$15 million to allow it to complete the purchase of the ABC Learning centres (DEEWR 2010k).

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- Government involvement in OC ranges from management of all services in the state, as is the case in South Australia, to operating a small number of centres, as is done by Victoria, Queensland, Western Australia and Tasmania (SCRGSP 2011a).

Private operators have recently begun providing FDC and OSHC services. While for-profit FDC coordination units remain a small minority, the share of private for-profit providers of OSHC has increased from 11 per cent in 2004-05 to over 40 per cent in 2009-10 (SCRGSP 2011a).

### *The evolution of ECEC service provision*

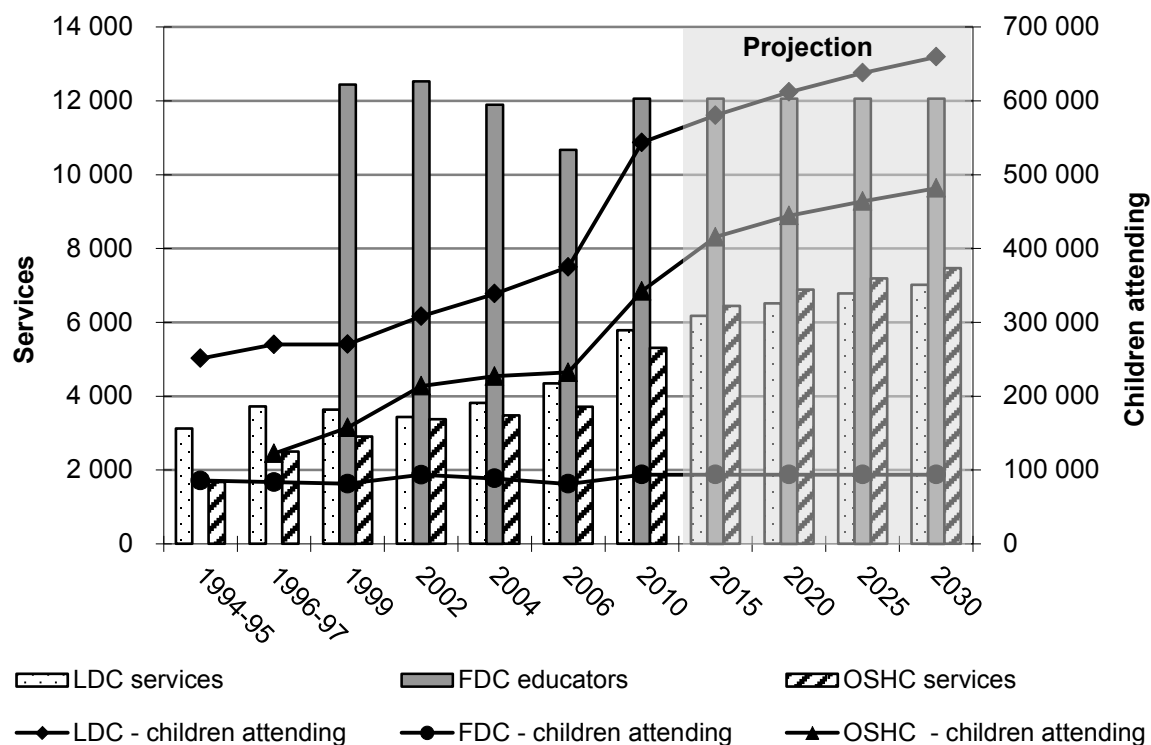
Early childhood education and care in Australia has its roots in community and charity enterprises. Community organisations — either not-for-profit bodies or parent groups — were the dominant providers until the later part of the 20th century, operating alongside local governments in some jurisdictions and small numbers of private entities. Government funding was initially only available to community organisations when it was introduced in 1972.

Changes to the structure of funding provided by the Australian Government gave impetus to the surge in the number of private providers. In 1991, the Australian Government made funding available to private providers, and by 2004, the number of LDC places they offered had grown by nearly 350 per cent. During this period, the number of childcare places at community-managed centres increased by 65 per cent, FDC places were up 75 per cent, and the fastest growth was recorded in OSHC, which increased by 416 per cent (Brennan 2007). The number of services and children attending had also increased markedly.

In more recent years, growth rates have moderated as the market has stabilised. From 2004 to 2009, the number of LDC places has grown by 39 per cent. The number of FDC places has remained almost unchanged, while OSHC places increased by 25 per cent (SCRGSP 2011a).

Projections based on current trends indicate that OSHC services are expected to grow faster than LDC services in the next two decades. The number of children attending OSHC is expected to rise by 40 per cent, while LDC attendance is projected to rise by 21 per cent (figure 2.3).

**Figure 2.3 Historical and projected trends in the early childhood education and care market<sup>a</sup>**



<sup>a</sup> Data until 2010 are DEEWR figures from the Census of Child Care Services and Productivity Commission estimates based on unpublished DEEWR data from the 2010 National ECEC Workforce Census. Data from 2015 onwards are based on ABS projections, under assumptions of medium fertility and migration rates, which reflect current trends. The projections assume that the participation rate in ECEC will remain unchanged and there is no expected increase in attendance at FDC. The figures do not include attendance at preschools.

Sources: ABS (2008c) (table B9); DEEWR (2008); Productivity Commission estimates based on unpublished DEEWR data from the 2010 National ECEC Workforce Census.

## Child health: government provision

Like the majority of community health services, child health services are provided by state or local governments. State governments began providing maternal and child health services early in the 20th century in an effort to reduce infant mortality. Local governments were heavily involved in these services (Stanley 2001). Over time, the balance has shifted, and state governments have emerged as the key provider of child health services in most jurisdictions (appendix F).

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## **Family support: a different type of mixed market**

Family support services are dominated by not-for-profit organisations. Governments provide some family support services directly, and fund many more programs that are delivered by community and not-for-profit organisations. Over time, the scope of services has expanded beyond targeted support for vulnerable families to the provision of universal support. Family support services are provided by an increasing array of government bodies, and by a variety of qualified staff, such as social workers, child and family health nurses, teachers and allied health professionals (AIHW 2001).

## **Integrated ECD services: a new policy focus**

In recent years, integrated ECD services have been attracting increasing interest and funding from policy makers. Integrated services are often established in areas with high levels of disadvantage, and are designed to offer more seamless access to multiple services. They can take various forms, from cooperation through to full integration of multidisciplinary services and support (see chapter 15 for a detailed discussion).

## **2.3 Who uses early childhood development services?**

The vast majority of children in Australia will access at least one ECD service during their early years. Following a recent ‘baby boom’, there were nearly 1.7 million children aged 0–5 years in Australia in 2009-10, compared with 1.5 million in 2001-02 — an increase of 11 per cent. Over the same time period, the population of children aged 6–12 years grew by less than one per cent (SCRGSP 2011a). These demographic changes alone raise questions about the staffing levels at various ECD services, and whether they would be sufficient to cope with the potential increase in demand.

Whether demand for staff will be met will partly depend on usage rates, which vary greatly between services. For example, in Victoria, over 99 per cent of newborns are seen by a child and family health nurse (DEECD 2010a), but only 32 per cent of children aged 0–5 years attend an approved child care service, though attendance rates at preschool are higher (SCRGSP 2011a). Usage rates for family support services are much lower — Victoria’s Parentline, a phone service open to all parents in the state, answered just over 12 500 calls in 2009-10 (DEECD 2010a).

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## Early childhood education and care: more children, more places

More than one million children attend ECEC services. In 2010, over 989 000 children aged 0–12 years attended LDC, OC, FDC, and OSHC, representing 27 per cent of the population under 12 years of age.<sup>7</sup> Attendance rates are higher for younger children, reaching nearly 38 per cent of children aged 0–5 years (Productivity Commission estimates based on unpublished DEEWR data). The majority of children do not occupy a full-time place. Since 2006, the number of places offered by ECEC services (except preschool) has increased by 15 per cent (SCRGSP 2011a), while the number of children attending rose by 42 per cent (Productivity Commission estimates based on unpublished DEEWR data).

Attendance rates vary across services and jurisdictions. Generally, attendance tends to increase with age between birth and three years of age, from 7 per cent for children younger than one, to 56 per cent for 3-year-olds. In later years, attendance at LDC and FDC drops off, as children begin preschool. Across Australia, 68 per cent of children attend a preschool program in the year before formal schooling, typically at four years of age (SCRGSP 2011a).

English-speaking families from major cities are most likely to send their children to ECEC services. One-parent families are more likely than couples to use ECEC services. Families from regional and remote areas are less likely to use ECEC services; however, when they do use these services, they are more likely to use FDC. However, this may reflect service availability rather than parental preferences (chapter 9). Conversely, families from non-English speaking backgrounds are less likely to use FDC (ABS 2009c). Children with additional needs are under-represented in ECEC services (Ellis 2010).

The vast majority of children attending ECEC services come from families where both parents work (SCRGSP 2011a), and children are more likely to attend as family income rises. Parents' work commitments are the main reason for children to attend ECEC, followed by the parents' belief that it is beneficial for the child. A smaller percentage of parents use ECEC due to personal commitments such as study or volunteer work (ABS 2009c).

Parents' participation in the workforce is affected by ECEC availability and costs. However, the effects are difficult to quantify. Some studies have found that an increase in childcare costs is unlikely to have any substantial effect on the labour supply of married men. In the case of married women, higher childcare costs will reduce labour supply, but only by a relatively small degree — a 10 per cent increase

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<sup>7</sup> As children may attend more than one ECEC service, some double counting may occur.

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in fees is expected to reduce labour supply by 0.2 per cent. The effects are more pronounced for single parents and parents earning low wages (Doiron and Kalb 2005). Other studies point to a much more substantial effect, with a 1 per cent increase in childcare costs leading to a 0.3 per cent reduction in the employment rate of mothers with young children, and a 0.7 per cent decline in the number of hours worked (Gong, Breunig and King 2010).

### **Child health: universal service, diminishing provision with age**

Universal child health services are among the most commonly used ECD services. All jurisdictions have implemented or are working towards offering a home visit to all babies in their first few weeks of life. This is followed by a schedule of clinic check-ups and screening tests until children reach school age. While a very large proportion of families receive a home visit soon after birth, clinic attendance rates at older ages are lower — in Western Australia, for example, only nine per cent of children attended the development check at three years of age (Western Australian Auditor General 2010). In some cases, children from vulnerable families or those with additional needs are less likely to use child health services (Schmied et al. 2008).

### **Family support: some still missing out**

Family support services tend to be under-utilised by those who need them most (COAG 2009c). This is despite the fact that there is a multitude of specialised and targeted services that are offered based on need, and families with complex issues may be eligible for assistance from a number of programs.

While targeted programs represent the majority of family support services, some universal programs are offered in all jurisdictions. Usage rates differ between programs and regions (chapter 13).

## **2.4 Who pays for early childhood development services?**

Governments shoulder the responsibility for funding most ECD services. The majority of child health and family support services do not require payments from users. However, ECEC services charge user fees, which can be substantial (table 2.2).

**Table 2.2 Cost sharing arrangements in the early childhood education and care sector, 2008-09<sup>a</sup>**

	<i>Children attending<sup>b</sup></i>	<i>Services operating</i>	<i>Australian Government expenditure<sup>c</sup></i>	<i>State/Territory Governments expenditure<sup>d</sup></i>	<i>Family contributions<sup>e</sup></i>
	no.	no.	\$m	\$m	\$m
NSW	390 000	5 073	1264	186	878
Vic	285 500	4 080	830	169	463
Qld	255 000	2 909	991	78	598 <sup>f</sup>
SA	97 800	1 373	264	108	126
WA	99 800	1 769	285	122	266 <sup>g</sup>
Tas	29 000	535	83	28	na <sup>h</sup>
NT	12 800	294	53	30	na <sup>h</sup>
ACT	27 500	327	45	36	na <sup>h</sup>
<b>Total<sup>i</sup></b>	<b>1 197 600</b>	<b>16 360</b>	<b>3 814</b>	<b>758</b>	<b>2 460</b>

<sup>a</sup> Includes LDC, preschool, FDC, OSHC and OC. Figures quoted are for 2008-09 as these are the latest available for family contributions. <sup>b</sup> Some double counting may occur, as children may attend more than one form of ECEC. <sup>c</sup> Except in the Northern Territory, the vast majority of Australian Government funding is spent on financial support to families using ECEC services. Figures refer to real expenditure calculated using the GDP price deflator. <sup>d</sup> In most cases, state and territory governments provide funding to services, rather than families. With the exception of Queensland, the bulk of funding is for preschool services. Figures refer to real expenditure calculated using the GDP price deflator. <sup>e</sup> Family contributions include ABS figures on income generated by LDC, FDC, OSHC and OC services from fees and charges payable by clients for service provision, and Productivity Commission estimates of preschool fees paid by families. Data for preschool fees are sourced from the progress reports lodged by state and territory governments as part of the National Partnership Agreement on Early Childhood Education. Data are only available for New South Wales, Victoria and South Australia. <sup>f</sup> Data do not include preschool fees. <sup>g</sup> Data do not include preschool fees. However, preschool in Western Australia is provided by the state government and fees are voluntary. <sup>h</sup> According to the ABS, LDC, FDC, OSHC and OC services in Tasmania, the Northern Territory and the ACT generated a combined fee income of \$129.2 million. Preschool services in these jurisdictions are mostly provided by governments and fully subsidised. <sup>i</sup> Total may not equal the sum of individual components due to rounding. **na** Not available.

Source: ABS (2010c); SCRGSP (2011a); DEEWR (ndg); Productivity Commission estimates based on unpublished DEEWR data from the 2010 National ECEC Workforce Census.

In 2009-10, governments spent \$4.7 billion on ECEC services, of which the Australian Government contributed \$3.8 billion and state and territory governments contributed \$900 million (SCRGSP 2011a).

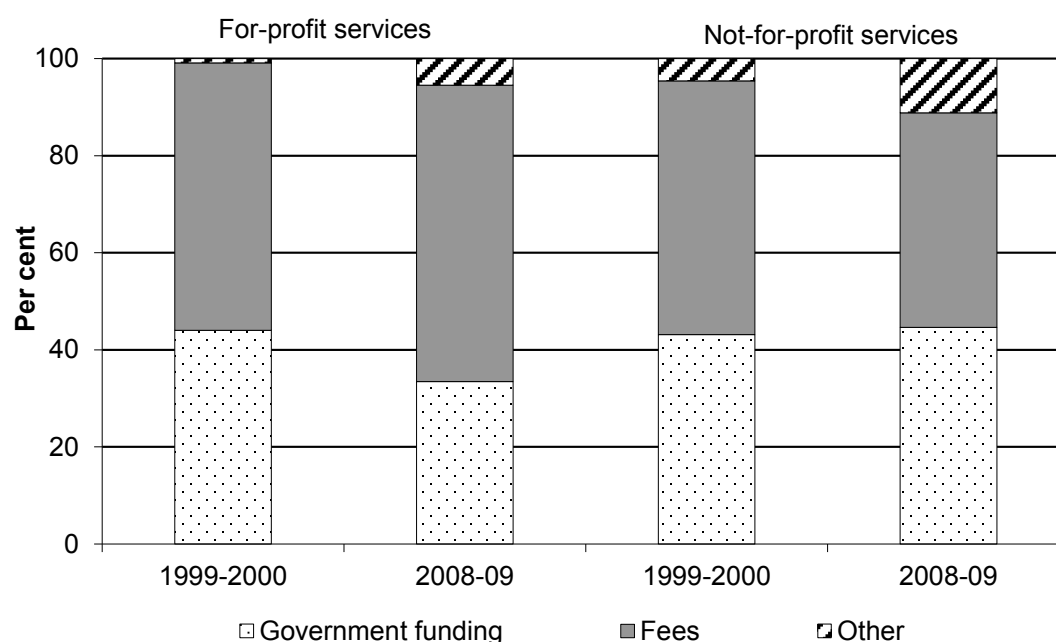
The Australian Government provides both supply-side funding (directly to services) and demand-side funding (via subsidies to parents) for ECEC services. Parent subsidies are the largest form of support, totalling \$3.3 billion in 2009-10, nearly double the amount spent in 2001-02 (SCRGSP 2011a). Families are eligible for childcare support if they work, study or are in special need, and only some payments are means tested. The introduction of demand-side funding has been associated with increased competition in the ECEC market, and also with the substantial rise in the number of private operators (Brennan 2007).

Supply-side funding from the Australian Government is aimed mainly at supporting services in areas where the private market does not fulfil the community's need for ECEC services. It also provides subsidies for services to include children with additional needs and to train staff. The level of supply-side funding is set to increase as the Australian Government again becomes involved in funding preschool services, an area from which it withdrew in 1986. The Australian Government will provide nearly \$1 billion to fund universal access to preschool by 2013 (chapter 3).

State and territory governments have been providing the bulk of funding to preschools. This supply-side type of funding totalled over \$760 million in 2009-10, nearly six times larger than the funding they gave to childcare services (SCRGSP 2011a). Some local governments also support the provision of ECEC in their community (DHS 2007).

User fees are an important source of income, representing over half of revenue in the case of private ECEC providers. While the share of income derived from fees has been increasing in the case of for-profit providers, not-for-profit providers have had to rely on other sources of income as fee increases have not kept up with rising expenses (ABS 2010c) (figure 2.4).

**Figure 2.4 Sources of income for childcare services, by profit objective<sup>a,b</sup>**



<sup>a</sup> Data refer to LDC and FDC services. <sup>b</sup> Examples of other income sources include fundraising and the provision of services other than child care. Government funding includes expenditure on the child care benefit, as it is mostly given to services, but not the child care rebate, which is distributed directly to parents.

Source: ABS (2010c).

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The gross median weekly cost of care at LDC services was \$285 in 2010, though there was substantial variation between jurisdictions. Depending on family income and composition, the cost of LDC can account for over 30 per cent of disposable income, though subsidies to parents lower this cost to between 7 and 14 per cent on average (SCRGSP 2011a).

Child health and family support services are generally paid for by governments. The large number of programs makes it difficult to estimate the total expenditure in this area. The funding for community health (which includes child health) totals about \$5.3 billion a year, and the vast majority is contributed by state and territory governments. Family support services receive about \$580 million a year from the Australian Government (appendix F).

## **2.5 Who regulates early childhood development services?**

The regulation of ECD services, and in particular ECEC, is spread across numerous organisations at all levels of government. ECEC services are licensed by state or territory governments, and they generally participate in quality assurance programs that are administered by the Australian Government. Quality assurance is not compulsory; however, parents only receive childcare subsidies if the service they use participates in the program and is approved by government.<sup>8</sup> Services must also comply with local government regulations (table 2.3).

Licensing requirements for similar types of services differ across jurisdictions and, at times, within the same jurisdiction. The administrative structure of regulation is also different — some states see ECEC as part of the education portfolio, while in other cases it is part of the community services portfolio (appendix F).

In the Annual Review of Regulatory Burdens on Business, the Commission found that the ECEC sector is affected by significant regulatory burden, and that there is substantial overlap between the quality assurance and licensing arrangements. Despite the abundance of regulations, some areas, such as credible sanctions and the provision of information to parents, were found to be lacking (PC 2009a).

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<sup>8</sup> Most preschools do not fall in this category. Parents cannot receive childcare subsidies from the Australian Government for preschool fees, unless individual staff register with the Family Assistance Office (appendix F).

**Table 2.3 Existing regulatory arrangements in early childhood education and care**

	<i>Australian Government</i>	<i>State/Territory Governments</i>	<i>Local Government</i>
Long day care	<ul style="list-style-type: none"> <li>• Quality accreditation covering seven quality areas, including staff and premises.</li> <li>• Validation visits and surveys.</li> </ul>	<ul style="list-style-type: none"> <li>• Mandatory licensing — conditions vary by jurisdiction.</li> <li>• Regulation of staff and premises.</li> <li>• Licensing visits and spot checks.</li> </ul>	<ul style="list-style-type: none"> <li>• Mandatory approval and compliance with local legislation.</li> </ul>
Family day care	<ul style="list-style-type: none"> <li>• Quality accreditation covering six quality areas, including staff and premises.</li> <li>• Validation visits and surveys.</li> </ul>	<ul style="list-style-type: none"> <li>• Mandatory licensing — conditions vary by jurisdiction.</li> <li>• Regulation of staff and premises.</li> <li>• Licensing visits and spot checks.</li> </ul>	<ul style="list-style-type: none"> <li>• Registration and compliance with local legislation.</li> </ul>
Outside school hours care	<ul style="list-style-type: none"> <li>• Quality accreditation covering eight quality areas, including staff and premises.</li> <li>• Validation visits and surveys.</li> </ul>	<ul style="list-style-type: none"> <li>• Regulations vary by jurisdiction: some require licensing, while others require registration only.</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with local legislation.</li> </ul>
Occasional care	<ul style="list-style-type: none"> <li>• Optional registration of individual staff members.</li> </ul>	<ul style="list-style-type: none"> <li>• Regulations vary by jurisdiction: most types of services require licensing.</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with local legislation.</li> </ul>
Preschool	<ul style="list-style-type: none"> <li>• Optional registration of individual staff members.</li> </ul>	<ul style="list-style-type: none"> <li>• Regulations vary by jurisdiction: some require licensing, others require registration only.</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with local legislation.</li> </ul>

Source: Appendix F.

Child health services are regulated by the Australian, state and territory governments. A national body administers the registration of nurses, and the states and territories set the requirements and frameworks for service delivery. In the case of family support, the regulatory framework is much less onerous, although providers that are funded by governments need to deliver specific outcomes (FaHCSIA 2011b).

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## **New regulatory framework**

The existing regulatory arrangements in ECEC reflect a historical distinction between education and care for young children. The National Quality Agenda, which was adopted by the Council of Australian Governments in 2009, emphasises the importance of education that begins from birth, and aims to create a nationally consistent regulatory framework for all ECEC services (chapter 3). The National Quality Agenda implementation is set to commence in 2012, and it poses significant challenges for regulators, providers and workers.

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### 3 Government involvement in the early childhood development sector

#### Key points

- Governments intervene in the early childhood development (ECD) sector as policy makers, funders, providers and regulators. Their objectives include productivity, equity and the efficient supply of services to enhance community wellbeing.
- Policy objectives have changed over time. The recent reform initiatives of the Council of Australian Governments — summarised in the National Quality Agenda (NQA) and the National Partnership Agreement on Early Childhood Education (NPA ECE) — reflect a greater emphasis on the educational development of young children.
- The NQA comprises a learning framework for early childhood settings and national quality standards. The NPA ECE aims to deliver universal access to 15 hours of preschool per week by 2013 for children in the year before formal schooling.
- The reforms have substantial implications for early childhood education and care (ECEC) workers. The NQA requires services to employ more people who are better qualified from 2012. The NPA ECE will further increase demand for university-qualified early childhood teachers.
- Implementing the reforms will require substantial funding, and is likely to result in fee increases for many ECEC users. Governments should consider reprioritising existing funding arrangements, to ensure disadvantaged children do not miss out on the benefits of the ECEC reforms as a result of higher fees.
- Fee increases are also likely to cause a decline in labour force participation, as parents may withdraw their children from ECEC services and reduce working hours.
- Existing and projected labour market pressures will make it difficult for the NQA and the NPA ECE goals to be achieved within the specified timeframes. The sector suffers from difficulty attracting and retaining employees. Existing workforce strategies that focus on the availability and affordability of training may be inadequate to stimulate supply sufficiently to meet demand.
- Under the NQA, regulators will assess the quality of ECEC services. To assist parents to assess services, ECEC regulators should publish all relevant information regarding service quality, including service waivers.
- Services managed by committees of volunteer parents, and their staff, may face difficulties under the NQA. Governments should ensure that professional management support is readily available to assist with management and leadership.
- Governments should aim to minimise the regulatory impacts of the reforms. Regulators will require adequate resourcing to train staff in the new arrangements.

### 3.1 Government roles in the early childhood development sector

Across the economy, governments intervene to ensure efficient supply of goods and services that contribute to community wellbeing. Their actions can take many forms, and in the early childhood development (ECD) sector, this has resulted in a multitude of policy interventions, across all levels of government (table 3.1).

Table 3.1 **The role of governments in the early childhood development sector**

	<i>Early childhood education and care</i>	<i>Child health</i>	<i>Family support</i>
Australian Government	<ul style="list-style-type: none"> <li>• Regulation</li> <li>• Policy setting</li> <li>• Most funding</li> </ul>	<ul style="list-style-type: none"> <li>• Some policy setting</li> <li>• Some funding</li> </ul>	<ul style="list-style-type: none"> <li>• Policy setting</li> <li>• Some funding</li> </ul>
State and territory governments	<ul style="list-style-type: none"> <li>• Regulation</li> <li>• Some policy setting</li> <li>• Some funding</li> <li>• Some provision</li> </ul>	<ul style="list-style-type: none"> <li>• Policy setting</li> <li>• Most funding</li> <li>• Provision</li> </ul>	<ul style="list-style-type: none"> <li>• Policy setting</li> <li>• Some funding</li> <li>• Provision</li> </ul>
Local governments	<ul style="list-style-type: none"> <li>• Provision</li> <li>• Some funding</li> </ul>	<ul style="list-style-type: none"> <li>• Provision</li> <li>• Some funding</li> </ul>	<ul style="list-style-type: none"> <li>• Some provision</li> <li>• Some funding</li> </ul>

Historically, the Australian Government has controlled funding arrangements, while state and territory governments were both regulators and providers, and local governments provided specific services that were required by their communities. This mode of operation has not changed substantially in the child health and family support parts of the sector. In early childhood education and care (ECEC), however, the Australian Government has frequently changed the funding structure as its policy objectives have changed, while state and territory governments have also adjusted their regulatory requirements to reflect the needs of their local market. The result has been a complex web of policies and regulations (appendix F).

In more recent times, the Council of Australian Governments (COAG) has stepped into the policy arena, with the aim to create a nationally consistent policy framework for ECD services. In 2009, it endorsed the National Early Childhood Development Strategy (COAG 2009c), which includes reform initiatives that affect all aspects of the ECD sector.

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## 3.2 Government objectives in the early childhood development sector

Current intervention in the ECD sector aims to enhance the wellbeing of children, their families and their communities. Research has shown that ECD services not only benefit children, but can also have positive effects for the economy as a whole by raising its stock of human capital, enhancing current and future productivity and mitigating disadvantage (box 3.1) (see appendix C for a discussion of research findings).

Wellbeing can be defined and measured using a number of frameworks that focus on individual and community engagement and connectedness (PC 2010a). Within these frameworks, the goals of ECD policy can be broadly categorised into:

- workforce and productivity objectives
- equity and quality considerations
- the efficient provision of services that contribute to community wellbeing.

### Workforce and productivity objectives

Workforce objectives require governments to consider both present and future productivity. The ECD sector, and primarily ECEC services, supports the workforce participation of parents with young children, particularly mothers. As such, it makes a substantial contribution to economic activity. Australia has a unique pattern of female workforce participation, which tends to decline for women aged 30–34 years, who are more likely to have children (OECD 2010).<sup>1</sup> Upon their return to work, many women have part-time jobs. While there are many reasons behind these trends, the provision of ECEC services of adequate quantity and quality may contribute to raising the workforce participation of women (OECD 2006).

Research has shown that investment in the early years can have positive effects on future productivity. ECEC programs for children from disadvantaged backgrounds have been linked with higher productivity and lower welfare needs later in life. However, there is limited research to show that universal programs lead to similar benefits (appendix C).

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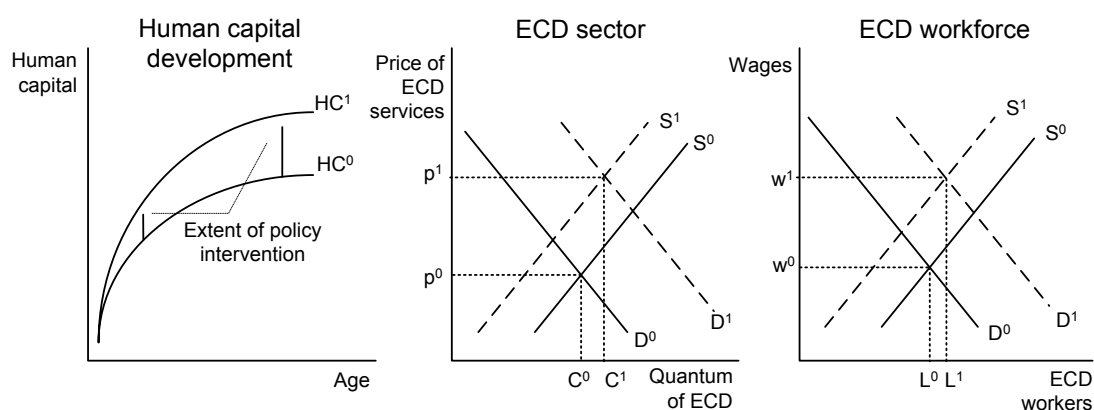
<sup>1</sup> In most OECD countries, workforce participation tends to increase slowly over time, before declining for workers aged over 50. This pattern is similar for men and women. The exceptions are Australia, Japan and South Korea, where workforce participation falls for women aged 30–34 years. Australia exhibits the sharpest decline, followed by a very gradual recovery (OECD 2010).

### Box 3.1 Illustrating government intervention in the ECD sector

The COAG ECEC reforms aim to enhance children's development, which is expected to have positive effects for the children themselves and, over time, the human capital stock of the community. Human capital theories maintain that the most rapid acquisition of skills occurs early in life, and an investment in the early years supports human capital development later on (chapter 1).

Human capital development is illustrated below on the left, where the policy objective is to move to the higher trajectory. When children are younger, the extent of this policy intervention is more limited, whereas enhancing human capital at later ages requires a more extensive policy intervention. This theory prompts the investment in ECD.

#### Stylised diagrammatic illustration of the ECD sector



To achieve this objective, COAG has decided to raise the quantum of ECD services consumed (child hours) and their quality. To enhance quality, the COAG reforms require an increase in the ratio of ECEC staff to children and mandate that all educators hold formal qualifications. This raises costs for services (represented as a shift upwards in the supply curve in the middle figure). The rise in costs will tend to reduce the quantity demanded unless demand is sensitive to quality, in which case the demand curve shifts to the right in response to quality improvement.

The policy also aims to increase the quantity of services available through initiatives such as universal access to preschool. This can be represented as an increase in the demand for ECD services in the middle figure. Overall, in this example, the reforms are expected to lead to more ECD services being provided at higher prices.

These policies will have a considerable effect on the ECD labour market (right hand figure). The higher staff-to-child ratios in ECEC and increased service provision will raise demand for workers. At the same time, workers will be required to have higher qualifications and will demand higher wages to compensate them for the cost of training. The supply curve will reflect the increase in costs. The result in this highly stylised case shows an increase in the number of employees and also a substantial increase in wages. Higher wages will contribute to the rising cost of ECD services.

For a mathematical model quantifying the effects of the reforms, see appendix E.

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## **Equity considerations**

In an economic sense, equity refers to resource allocation in accordance with need. There are several aspects of equity that governments can consider when designing their ECD policy: equity within society, within the workforce and among ECD service users and consumers.

Within society, equity considerations lead governments to intervene in the ECD sector in order to support the development of children in need. COAG has moved to promote equity among children in its National Early Childhood Development Strategy.

The aim [of the National Early Childhood Development Strategy] is to improve outcomes for all children and importantly, reduce inequalities in outcomes between groups of children. This is especially important for some Indigenous children who, on average, have significantly poorer outcomes than non-Indigenous children. (COAG 2009c, p. 4)

A number of policy initiatives have recognised the importance of the early years in offering all children an equal opportunity for education and social participation. For example, the Closing the Gap initiatives aim to improve early childhood health and education and reduce the disparity between Indigenous and non-Indigenous children (COAG 2008). Many other policies have similar goals.

Subsidising ECEC services has been suggested as one policy that can increase equity within the workforce. Despite substantial change in recent decades, workforce outcomes still differ between men and women in terms of participation, wages, job quality and stability. This differential has often been linked to parental responsibilities, which still fall primarily to women (OECD 2006).

Potential users face challenges when they require ECD services. The ECD market may not be equitable if those in need are unable to access the services they require. For example, some types of service may not be offered in rural and remote areas, information about services may not be disseminated effectively, services for children with special needs may not be available, and some services may be out of the financial reach of particular families. All of these factors can make it difficult for some families to access the most appropriate services, and may necessitate government involvement.

## **Community wellbeing and expectations**

Governments tend to regulate the supply of services that affect community wellbeing. Where the market does not supply these services in an efficient way,

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governments intervene to ensure the community's needs are met. As a result, they are often funded and provided by governments.

The funding and provision of child health and family support services is dominated by governments, and their status as contributors to community wellbeing is entrenched. Academic researchers and some policy makers increasingly view ECEC services in a similar way, as they are seen as contributing towards children's education and their life outcomes (OECD 2006). In designing the ECEC reforms, governments have accepted that children in ECEC services should have teachers with the same level of qualifications as primary school students. This is already occurring in some jurisdictions, where teachers in primary and preschool settings receive similar pay and conditions, while a large disparity is observed in others (chapter 5).

### *Recognising the benefits of ECEC*

Community perceptions of ECEC have changed in recent years. The proportion of parents who choose to use ECEC services (not including preschool) because they believe these are beneficial for the child has grown from 16 to 39 per cent between 1993 and 2008 (ABS 1994, 2009c). Within the community, there is an increasing acceptance of ECEC and an expectation that these services will be delivered by government. Survey participants believe governments are best placed to deliver ECEC services, and further believe that where subsidies are offered, these should be used to support parents' workforce participation (Meagher 2007).<sup>2</sup>

### *Overcoming information barriers*

From the perspective of the families using ECD services, government intervention is important to overcome information asymmetries. As with many other human services professions, users rely on licenses and government-regulated qualifications to ascertain whether individuals are capable of offering an appropriate service. This is particularly important in ECEC, as the parents are not present when the service is provided and therefore have difficulty in assessing its quality. Regulators assess ECEC services to ensure they comply with licensing conditions, including staff-to-child ratios and physical requirements (such as adequate space and safety considerations). In addition, state regulations require staff to be assessed as 'fit and

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<sup>2</sup> Survey results were similar for gender groups, households with and without children and those with and without a university education (Meagher 2007).

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proper’ and to hold current police checks as well as any relevant early childhood qualifications (see, for example, DoE Tasmania 2009).

### **3.3 New policy agendas**

The ECD sector as a whole, and in particular ECEC services and their staff, has been gearing towards substantial changes introduced by COAG.<sup>3</sup> The new policies focus on four key areas:

- quality of education and care
- universal access to early childhood education
- Indigenous early childhood development
- workforce initiatives.

#### **Quality of education and care**

The National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care (NQA) was adopted by COAG in 2009. It introduced the first nationally consistent regulatory framework for ECEC, including quality standards and the curriculum to be used.

The NQA agreement covers long day care (LDC), family day care (FDC), preschools and outside school hours care (OSHC) services. However, it will not apply to some types of services, including occasional care, in-home care, playgroups, Multifunctional Aboriginal Children’s Services (MACS) and mobile services. There is currently no official strategy for the inclusion of these services in the NQA. The implications of this policy for occasional care are discussed in chapter 5. Indigenous services are discussed in chapter 14.

From 2012, the NQA will introduce a new regulatory system for ECEC (figure 3.1). Currently, each state and territory licenses services separately. Services can (and in most cases, do) participate in a national quality assurance scheme in order to receive

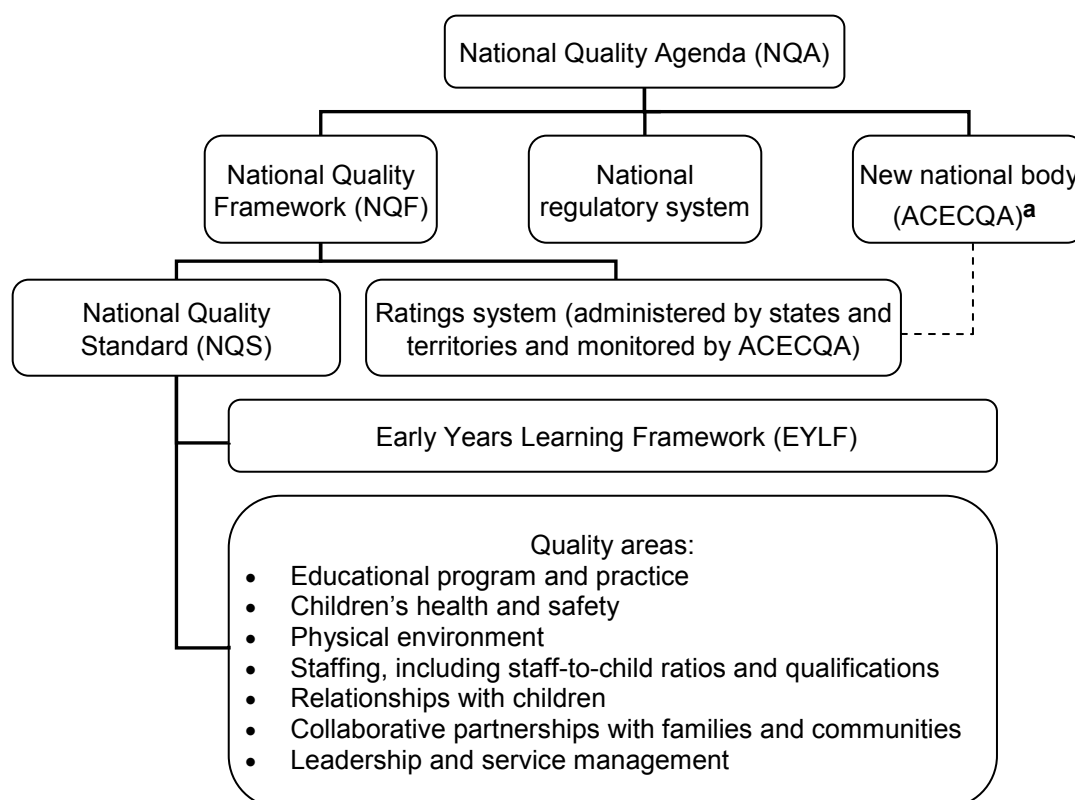
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<sup>3</sup> A number of national policies affect the child health and family support parts of the ECD sector. Examples include the National Partnership Agreement on Preventive Health, the National Partnership Agreement on Essential Vaccines, and the changes to the Australian Government’s Family Support Program. As these policies have a limited effect on the workforce, this section focuses on ECEC. For more on child health and family support policies, see chapters 12 and 13, and appendix F.

government funding. Though the quality assurance scheme does not currently apply to preschools, they will be required to comply with the NQA.

Under the NQA, jurisdictions will assess services against the National Quality Standard (NQS), and rate each service as part of their licensing process. Jurisdictions will be able to award services ratings between ‘significant improvement required’ and ‘exceeding national quality standard’ (ACECQA 2011). Services that receive a quality rating of ‘exceeding national quality standard’ from their local regulator will be able to apply separately to the new Australian Children’s Education and Care Quality Authority (ACECQA) in order to receive an ‘excellent’ rating (ACECQA 2011).

**Figure 3.1 National Quality Agenda for Early Childhood Education and Care**



<sup>a</sup> Australian Children’s Education and Care Quality Authority.

Source: COAG (2009f).

Services will be required to display the quality ratings they receive. Though ACECQA will publish quality ratings, there is no requirement for regulators to provide this information to the public (ACECQA 2011). Research has shown that making this type of information widely available contributes to an improvement in the quality of care (Witte and Queralto 2004) and this measure has been increasingly

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incorporated in quality rating systems adopted by regulators overseas (Zaslow et al. 2010).

RECOMMENDATION 3.1

***To assist parents' decision making with respect to their choice of early childhood education and care (ECEC) services for their children, governments should require ECEC regulators to publish all relevant information on service quality. Published information should be comprehensive, comparable across services, clearly explained and easy to access.***

The NQS forms a key part of the National Quality Framework (NQF), along with the Early Years Learning Framework (EYLF). The EYLF is intended to guide services and staff in developing early childhood programs and supporting children's learning from birth (COAG 2009a). A similar framework for school-aged care was launched in 2011 (DEEWR 2011n).

Some of the most substantial changes introduced by the NQA include national staff-to-child ratios and staff qualification requirements. In most cases, the state and territory licensing requirements are lower than the NQA requirements in relation to these factors.

Under the NQA, the following staff-to-child ratios will apply in all jurisdictions.

- By 2012, preschools and LDC services will be required to maintain a staff-to-child ratio of 1:4 for children under 24 months.
- By 2016, the ratio for children aged 25–35 months will be 1:5 and for children aged 36 months to school age, 1:11.
- By 2014, FDC educators will be able to care for up to 7 children, of whom no more than four can be under school age.
- There are no specified ratios for OSHC.

All LDC, FDC and preschool staff will be required to hold or be working towards a formal qualification in ECEC by 2014.

- In LDC services and preschools, at least 50 per cent of staff will require at least a diploma, and all others will need a minimum of a certificate III.
- All FDC educators will also require a certificate III as a minimum, and coordination unit staff will be required to hold at least a diploma.

In addition, by 2014, all LDC services and preschools will need to employ an early childhood teacher. For services with fewer than 25 children, a teacher need only be employed on a part-time basis. Larger services, caring for over 60 children, will need two teachers by 2020 (COAG 2009f).

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## **Universal access to early childhood education**

The NQA promotes the integration of education and care. The National Partnership Agreement on Early Childhood Education (NPA ECE) further emphasises the provision of preschool education. According to the NPA ECE, signed in 2008, every child will have access to 15 hours of preschool per week in the year before formal schooling by 2013. The preschool program must be delivered by a 4-year university-qualified early childhood teacher. All jurisdictions are required to report on their progress towards this policy goal under bilateral agreements with the Australian Government (COAG 2009d).

## **Indigenous early childhood development**

The NPA ECE places particular importance on the preschool enrolment of Indigenous children (COAG 2009d). Ensuring all Indigenous 4-year-olds have access to early childhood education by 2013 is one of the objectives under the National Indigenous Reform Agreement (Closing the Gap). Other early childhood objectives in this agreement include reducing infant mortality rates and improving literacy and numeracy levels among Indigenous students (COAG 2008).

There are a number of additional policies contributing towards the Closing the Gap objectives. The National Partnership Agreement for Indigenous Early Childhood Development provides for the establishment of 38 Children and Family Centres, which will deliver integrated ECD services in areas with high Indigenous populations and disadvantage. It also aims to improve child health services for Indigenous families (COAG 2009b). Many other policies also aim to support Indigenous children.

For further detail on Indigenous issues, see chapter 14.

## **Workforce initiatives**

The NQA and the NPA ECE are supported by a number of workforce initiatives. The Australian Government has allocated \$53.9 million to create an additional 1500 university places for early childhood teachers by 2011 (DEEWR nda). Under a \$12.4 million program, recent graduates can receive assistance from the Australian Government towards paying the cost of their degree if they work in rural and remote areas, Indigenous communities, and other areas of need (DEEWR ndd).

In 2009, COAG endorsed the National Partnership Agreement on TAFE Fee Waivers for Child Care Qualifications. Under the agreement, students undertaking a

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diploma or advanced diploma course in children's services are exempt from paying compulsory fees. The waiver is available to any student, regardless of where they will work after graduation. It will remain in place until the end of 2014 (COAG 2009g), and the total cost is expected to reach \$115 million (DEEWR ndj). The Productivity Places Program supports staff who are gaining or upgrading qualifications and will operate until 2012 (COAG 2009e). Workers from rural and remote regions can receive funding to access recognition of prior learning assessments to attain ECEC qualifications (DEEWR 2011e). State and territory governments have also put in place a number of policies and funding initiatives to support the ECD workforce (chapter 11).

In the NQA, COAG declared that it will consider an Early Years Development Workforce Strategy in 2010 (COAG 2009f). This strategy is yet to be made public (chapter 11).

### **3.4 Challenges for the new policy agendas**

Governments' ability to achieve their objectives in the ECD sector rely on the availability of workers with appropriate qualifications in sufficient numbers. To entice sufficient additional and existing workers to obtain the requisite qualifications and enter or remain in the ECEC workforce, wages will need to rise. The Commission has conducted detailed modelling to illustrate potential workforce impacts of the COAG reforms. The modelling suggests that the number of ECEC workers will be almost 15 per cent higher than it would have been in the absence of the reforms. Reflecting the increased demand for ECEC workers, and in particular, increased demand for workers with higher qualifications, wages for many workers are likely to be more than 10 per cent higher than they would otherwise have been, though the size of such increases and flow-on effects will vary across jurisdictions and services depending on their current arrangements (appendix E). As with all modelling, the Commission acknowledges that participants in this study may have differing views on the assumptions used. The Commission has dealt with this by conducting sensitivity analysis and considers its results to be robust.

Suppliers of ECEC services (among them, governments) face a complex labour market. According to study participants, many services repeatedly experience staff shortages and difficulties in recruiting and retaining employees (Community Child Care Co-operative, sub. 53). These may be due to a number of reasons — the nature of ECEC work and the wages on offer are mentioned most often (see for example, NCAC, sub. 11). In addition, the quality of some of the qualifications attained by ECEC staff is inconsistent, and universities face a shortage of academics to train sufficient numbers of teachers (Victorian Government, sub. 87).

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The National Partnership Agreements have given substantial consideration to the challenges that will have to be overcome in order to implement the ECD agenda. Some policies acknowledge the fact that implementation may take longer than expected. For example, the NPA ECE states that:

Reasonable transitional arrangements — including potentially beyond 2013 — are needed to implement the commitment to preschool program delivery by four year university qualified early childhood teachers. (COAG 2009d, p. 6)

Jurisdictions face different challenges, depending on their current regulatory framework. The inconsistencies between jurisdictions are substantial, and while many will have to adjust their staffing requirements, the adjustment required can be quite different. For example, New South Wales is the only jurisdiction that currently requires LDC services to employ degree-qualified teachers — services in all other jurisdictions will be required to employ teachers from 2014 (some services employ them voluntarily, but these are still the minority).

Transitional arrangements have been put in place by many jurisdictions, and some have already begun lowering their staff-to-child ratios. The national regulations for the implementation of the NQA (ACECQA 2011) also include transitional arrangements and a small number of temporary exemptions for specific services to allow for the gradual introduction of the new standards (chapter 5).

Although the NQA goals have clear timeframes, the implementation may require an additional period of adjustment. The current National Childcare Accreditation Council (NCAC) is expected to cease operating in 2012, and its quality accreditation role will be transferred to state licensing authorities. Over 16 000 services will have to be reassessed against the NQS (COAG 2009h) and COAG has stated that ‘it may take up to 3 years from 1 July 2010 for all services to be assessed’ (COAG 2009f, p. 43). However, the regulations are not yet finalised, so preparation is difficult. While services are awaiting reassessment, they will be able to continue operating under existing licensing arrangements.

## **Service and temporary waivers**

To facilitate the sector’s transition to the NQA, the national regulations include provisions for temporary and permanent service waivers. The waivers allow services to continue operating if they cannot fully comply with the NQS, including the staffing requirements it contains. Temporary waivers are issued for 12 months, and can be extended for a further 12 months, while service waivers provide ongoing exemptions. Services that are given a temporary waiver will receive the basic quality rating. Services with a permanent waiver will be considered to comply with

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the NQS, and will be able to receive a higher rating (COAG 2010). The proportion of services receiving temporary waivers will be monitored during the NQA implementation process (COAG 2009f).

Waiver systems already operate across all jurisdictions, allowing services to employ staff in qualified positions even if they do not hold the specified qualifications (Government of South Australia, sub. 66). Across the ECEC sector, about 10 per cent of services currently hold exemptions from regulatory staffing requirements (Productivity Commission estimates based on unpublished DEEWR data). For example, in New South Wales, the Early Childhood Teacher Interim Policy allows services to employ staff with other qualifications who are enrolled or intend to enrol in an early childhood teaching course, instead of qualified teachers. The exemption is given for one year, and can be extended. Services must show they have attempted to recruit teachers and offered appropriate pay and conditions, but did not receive suitable applications (DoCS 2008).

Waiver policies may be linked to poorer service quality. The New South Wales policy was first enacted in 2002, and a review in 2004 found that it reduced the quality of care provided to children (SPRC 2004). Following the review, a more restrictive policy was introduced. In 2007, research indicated that the policy continued to have detrimental effects on quality and its implementation was not consistent across the state (Purcal and Fisher 2007).

Demand for waivers under the NQA is likely to increase, as all ECEC staff will be required to hold qualifications. Currently, over 25 per cent of staff are unqualified (Productivity Commission estimates based on unpublished DEEWR data). As a result, in the absence of systemic change, many more services will be unable to recruit the required staff and will require waivers.

The NQA is supported by workforce initiatives; however, these may not be sufficient to attract the required number of qualified staff to the sector. These initiatives focus on the availability and affordability of training. Existing and potential ECEC workers will need to weigh up the cost of training, as well as the pay and conditions offered by services, when making their employment decisions (chapter 11). If pay and conditions are not competitive, and do not provide a strong incentive to gain the required qualifications, ECEC services will continue to encounter shortages of qualified staff — and require increasing numbers of waivers.

The structure of the waiver system is yet to be finalised, as the regulations are still in draft form. Services will be required to display some information regarding any relevant waivers, but it is not clear how waivers will be monitored by regulatory bodies and how easy it will be for parents to access the information.

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The Commission sees value in as much information as possible being made available to parents and carers, and as such, considers that where waivers apply, the nature of those waivers should be made publicly available by regulatory authorities.

#### RECOMMENDATION 3.2

***ECEC regulators should publish the number of service waivers granted, to whom they have been granted, and whether they are permanent or temporary.***

### **Effective regulation**

Study participants voiced concern regarding the regulatory burden that ECEC services currently face and its effect on service delivery:

Mostly, providing a service and managing a service [ie: Addressing regulatory burden] is an impossible balancing act. The smaller an organisation, the more difficult the balancing act, lowering job satisfaction. (Mobile Children's Services Association of NSW, sub. 38, p. 16, emphasis in original)

This section discusses the regulatory changes as they are perceived to affect the quality of ECEC services and the workforce more generally.

#### *The effect of regulation on ECEC quality*

Reducing regulatory burden is one of the goals of the NQA. Most ECEC services currently face a dual licensing and accreditation structure, which the NQA will replace with a single licensing process (COAG 2009f). Each jurisdiction will be required to appoint a lead regulatory authority that will administer the NQA (COAG 2010). In some cases, this is seen as lowering the regulatory burden that ECEC services face (see for example, Department for Communities (WA), sub. 59; Victorian Government, sub. 87).

However, some study participants believe that the NQA will increase the regulatory burden for ECEC services and affect service quality:

While recognising the removal of some duplication of state and federal regulation through the development of the National Quality Framework, the changes are not anticipated to have any measurable reduction in the regulatory requirements on Early Childhood Development workers in services ... Changes to the Early Childhood Development staffing arrangements under the new national regulatory framework will mean more qualified Early Childhood Development workers are necessary to comply with existing and new ratios ... This will increase the regulatory burden for services that need to apply for temporary staffing waivers to comply with new qualification requirements ... The completion and continual review by services who participate in the National Quality Assessment and Rating process of a Quality Improvement Plan

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(QIP) will add to the current regulatory burden of services. (GoodStart Childcare, sub. 34. pp. 4–5)

The regulatory burden impacts significantly on the face to face time that staff have to engage with peers and families at the service. It is foreseeable that under current arrangements this will impact negatively on the ability of staff to engage in professional discussions with colleagues, attend contemporary professional development and enjoy building positive relationships with children and families. It must be noted that all of these factors are also key indicators of the quality of a service. (KPV, sub. 72, p. 11)

At this stage, the NQS regulations are still being finalised, making it difficult for services and regulators to prepare for the new environment they will operate in from 2012. The entire ECEC workforce as well as regulators will be on a steep learning curve, and it is expected that the level of stress will be high in the industry. To alleviate these pressures, it is essential that clear guidance about what is required is made available as soon as possible, and that any new requirements are designed to allow for minimal regulatory burden.

RECOMMENDATION 3.3

***ECEC regulators should provide for ongoing consultation with stakeholders and timely dissemination of best practice. Governments should ensure that ECEC regulators establish effective ongoing evaluative processes so that regulatory burdens are identified and minimised.***

***Volunteer committees may struggle to provide support to the workforce***

Over 5400 ECEC services (including 2000 preschools and over 1500 LDC centres) are managed by their community, either by not-for-profit organisations or committees of volunteer parents (SCRGSP 2011a). Volunteer committees operate LDC centres in all jurisdictions, and preschools in Victoria, New South Wales and Queensland.

While many services that are managed by volunteer committees operate successfully, some smaller services may encounter difficulties in coping with the regulatory complexity of the ECEC sector. This level of complexity is increasing for preschools, which will have to undergo quality accreditation for the first time under the NQA.

Study participants supported the view that in some cases, volunteer-run services — and preschools in particular — may struggle to provide staff with the support they require (Community Connections Solutions Australia, sub. 75; KU Children's Services, sub. 26). The new licensing requirements are likely to exacerbate the situation.

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Many staff report working in professional isolation and report challenges in working with voluntary committees of management which result in their employer changing on an annual basis. There is a tremendous burden on committees of management to operate what is a small business on a voluntary basis, with many committees reporting that they spend between thirty to fifty hours per week at their service dealing with employee related issues, fundraising, enrolments, fee collection, marketing and other governance issues.

Given the extraordinary responsibility and professional management experience required of a voluntary committee, it is difficult, if not impossible, to expect these volunteers, that may have no educational background, to lead pedagogical change in an early childhood setting. *It is impossible to see how this would be considered acceptable in any other educational system.* (KPV, sub. 72, p. 9, emphasis added)

Given that much of the NQA is intended to improve the pedagogical leadership and management of a service, the role of non-expert volunteer management committees needs to be given more consideration. ECEC staff will require leadership and support to enable them to gain the most from the new policies, particularly in the transition period, given the paradigm shift in the way programs are planned and delivered, and in how a service is now expected to be managed. Especially in small, stand-alone services, where staff can be quite isolated, appropriate support is vital.

To provide professional support and reduce the administrative burden, volunteer-run preschools can use shared management or administration services. In Victoria, about half of volunteer-run preschools use cluster management, where an external organisation provides administration services, including licensing and employment of staff, to a number of preschools (DEECD 2009d). In Queensland, preschools can only receive funding from the state government if they join a central governing body, which manages funding arrangements as well as providing administrative and professional support (Queensland Government, sub. DR360).

In many cases, the use of shared management services has been found to have benefits for both staff employed at the preschools and the parents involved in the management committees, as this allows them more time to focus on their community building role (KPMG 2007). Services using shared services are likely to be better placed to cope with the implementation of the NQA, as they receive more professional support.

#### RECOMMENDATION 3.4

***Where voluntary committees currently manage ECEC services, governments should ensure that professional management support (such as shared management services) is readily available to assist with management and leadership.***

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### *Additional requirements for regulatory bodies*

The implementation of the NQA will place additional strain on the state and territory regulatory authorities that are responsible for licensing ECEC services. Under the NQA, the licensing process will also include quality assurance and ratings. This is a substantial change for state and territory regulators, which are now focused on the operational aspects of ECEC services and are not required to determine quality ratings. For example, in Victoria, current state monitoring procedures for preschools were found to be ineffective in determining overall service quality (Victorian Auditor-General 2011).

The new licensing processes will examine the educational program and the quality of interactions between ECEC staff and children, issues that are not currently covered by state and territory regulation. The assessment is intended to be based on observations, as well as reviewing documents and policies.

Licensing staff will require additional training to apply the new assessment tools consistently. ACECQA, the new national body, has been tasked with issuing guidance for state and territory regulators that will promote ‘consistency, effectiveness and efficiency in the operation of the regulatory system’ (COAG 2009f, p. A-4).

Some study participants have suggested that licensing staff will need to hold qualifications in children’s services, such as teaching degrees, in order to carry out quality assessments (Early Childhood Australia (NSW Branch), sub. DR190; Network of Community Activities, sub. DR359). The ACT Government, however, argued that its current regulators are well placed to conduct quality assessments based on existing institutional arrangements (sub. DR338).

Existing shortages of qualified early childhood professionals will make it difficult to recruit additional licensing staff, if mandatory qualifications were required. This will increase labour market pressures at a time when the COAG reforms are already creating a substantial increase in demand. While requiring licensing staff to hold qualifications in children’s services may be beneficial in the long term, this issue could be better considered in future reviews of ECEC policy.

In its Regulation Impact Statement, COAG has recognised that the NQA will impose costs on state regulators. In 2012 alone, jurisdictions are expected to face an increase of nearly 40 per cent in expenditure on ECEC regulation, which will rise from \$34.6 million to \$48.2 million. These cost increases relate both to a greater number of services that need to be assessed and the more extensive licensing process required. According to COAG, a small increase in labour costs is expected due to training requirements; however, no increase in the number of staff is

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expected despite the higher number of services and the increase in the time spent assessing each ECEC service in some jurisdictions (COAG 2009h).

The Australian Government will fund some of these costs under the NQA. Its total contribution of \$61.3 million until 2014 is also intended to cover the cost of establishing ACECQA. As a result, jurisdictions may need to meet any increases in costs over the transition period. The new regulatory system will require a substantial period of time to operate effectively and consistently across all jurisdictions.

#### RECOMMENDATION 3.5

***In implementing the National Quality Standard, governments should ensure adequate resourcing for regulators to enable appropriate training of their staff in the new regulatory arrangements and their effective implementation.***

Some jurisdictions have a split regulatory system for ECEC services (appendix F), and the proposed national regulations for the NQA allow this to continue. Jurisdictions can have multiple regulatory authorities, although one will be designated as the ‘lead’ authority (COAG 2010).

In its review of ECEC policies in different countries, the OECD pointed out that ‘separate state auspices (for preschool education) ... can inhibit effective co-ordination’ (2006, p. 52). In some cases, appointing a lead authority may result in regulatory duplication:

Currently the Department of Education Services (DES) has responsibility for the regulation of standards within Independent and Catholic schools, while the [Department of Education (DoE)] has oversight of public school standards regulations. With the introduction of the National Quality Standard, this arrangement may change to a single regulatory body (potentially DES) with responsibility for standards regulation for the public and non-government school sectors. This could place additional demands on teachers within public school kindergartens, since they will be required to comply with DoE and DES regulations. (Western Australia Department of Education, sub. 44, p. 11)

## **A market for quality**

Implicit in the NQA is the expectation that since ECEC services operate in a highly competitive market, families will continue to demand improved quality, and this will result in providers working towards higher quality ratings.

The OECD has stated that ‘the belief that quality improvement can be left to market competition is naïve’ (2006, p. 126), and highlighted the importance of regulation and public investment in promoting a high-quality ECEC system.

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The market for quality in ECEC faces a number of hurdles. First, parents may not have the ability to demand higher quality if supply of ECEC places is limited (Brennan 2007). In the current ECEC market in some regions of Australia, parents are not able to access their preferred type of care, while demand continues to rise due to higher birth rates and female labour force participation (Southern Cross University and Early Childhood Australia (NSW), North Coast Branch, sub. 16).

The drive for quality may be more closely linked to regulation rather than demand pressures. NCAC's quality trend reports show that between December 2006 and June 2010, quality ratings for LDC declined as demand increased. During the same time, FDC and OSHC achieved substantial increases in quality after coming under more intensive regulatory scrutiny (NCAC 2010a; 2010b; 2010c).<sup>4</sup>

Second, families face hurdles to obtaining and assessing information on ECEC services. Parents usually have difficulties in judging the quality of services, and tend to give them a better assessment than trained professionals (Brennan 2007). Although NCAC rates service providers on various quality measures, this information is not published and parents may only view the ratings by visiting the specific service in which they are interested (PC 2009a). The NQA regulation provides for the publication of quality ratings by service providers; however, the assessment process may take some time to complete and there is no requirement for the regulatory bodies to publish the results.

Finally, if labour market pressures do not allow services to comply with NQA standards, improved quality will be difficult to achieve.

FINDING 3.1

*Market pressures alone are unlikely to lead to the provision of quality early childhood development (ECD) services. An appropriate regulatory system aimed at quality improvement and assurance is required.*

### **3.5 Funding the new policy agendas**

The implementation of the ECD policy agenda will require substantial funding. The Australian Government will spend \$20 billion on ECEC over the coming four years, primarily through parent subsidies (DEEWR, sub. DR301). Under the NPA ECE, the Australian Government has committed nearly \$1 billion in funding universal

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<sup>4</sup> Despite these trends, the average quality ratings received by LDC centres remain higher than those reported for FDC and OSHC (NCAC 2010a; 2010b; 2010c).

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access to preschool (COAG 2009d). The NQA includes provisions for Commonwealth funding totalling \$61.3 million, which will be distributed to the states and territories to assist with their transition to the new regulatory system (COAG 2009f).

Study participants stated that the funding allocated to jurisdictions may not be sufficient to implement the new policies. For example, councils in Victoria believe that the funding included in the NPA ECE needs to increase substantially (to \$606 million, compared with around \$211 million allocated to Victoria by the Australian Government in the NPA) to create sufficient preschool places and maintain affordable fees (Municipal Association of Victoria, sub. 68). While a recent review of the NPA ECE concluded that funding was adequate, it also warned that the implementation of universal access to preschool may impede the provision of services to vulnerable children and families, as well as children who are yet to reach preschool age (MCEECDYA 2011).

Other study participants, particularly in remote and Indigenous communities, have voiced the need for additional funding to ensure the benefits of ECD policies can be realised.

#### FINDING 3.2

*Though the implementation of the universal aspects of the ECD policy agenda will be costly overall, the targeting of relatively small amounts of additional funding to certain aspects of the ECD workforce would deliver substantial additional benefits to the community.*

### **ECEC fees will rise — but subsidies may not keep pace**

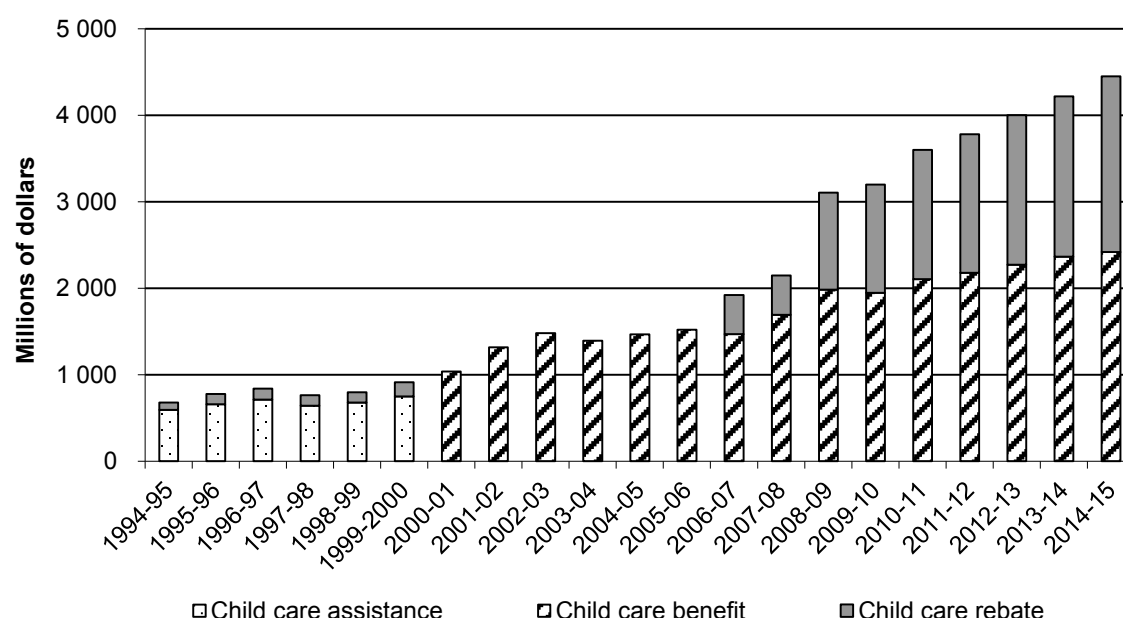
ECEC fees are expected to increase in response to the cost of implementing the NQA (COAG 2009h). Estimates of the extent of the increases vary. Commission modelling suggests that under current cost-sharing arrangements, out-of-pocket fees for LDC services could be more than 15 per cent higher than they would have been without the reforms, and about 5 per cent higher for FDC, though such increases will vary across jurisdictions and services, depending on current staffing and wage arrangements (appendix E).

Increased fees may see low- and middle-income families withdraw their children from ECEC services. The extent of this response will be ameliorated by government subsidies (figure 3.2).

Families using ECEC are generally eligible for the child care benefit (CCB) and the child care rebate (CCR). Only the CCB is means tested, while the CCR is available regardless of income, but requires parents to be working or studying.

The CCB is usually used by parents to reduce fees. It is calculated as the product of the number of hours of ECEC used, a standard hourly rate of assistance and an eligibility percentage, based on family income and composition. The CCR refunds 50 per cent of out-of-pocket ECEC costs up to \$7500 a year.<sup>5</sup> Disadvantaged families can receive additional subsidies, which may cover almost the entire cost of care (appendix F).

**Figure 3.2 Historical and projected Australian Government expenditure on childcare subsidies<sup>a</sup>**



<sup>a</sup> The structure and value of the subsidies has changed a number of times during this period. Between 1994-95 and 1999-2000, parents received fee relief (child care assistance) and a cash rebate. These were amalgamated into the child care benefit in 2000-01. Its value increased in 2007-08. The child care rebate was re-introduced as a tax rebate in 2005-06, and its value increased substantially in 2008-09. It was converted to a cash rebate in 2009.

Sources: DEEWR (2011e); FaCSIA (2007).

As the number of eligible families has been increasing, and the value of the subsidies (particularly the CCR) has also risen, the Australian Government has been spending more on childcare subsidies. The government is anticipating a further

<sup>5</sup> To be eligible for the CCB, parents need to use an approved or registered child care provider. Those using approved providers are also eligible for the CCR (appendix F).

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significant increase in its expenditure. In 2010-11, childcare subsidies reached \$3.6 billion, and by 2014-15, they will be over \$4.4 billion — an increase of 23.6 per cent. Over the same period, the number of families receiving subsidies will grow by 4.8 per cent. Most of the increase comes from expenditure on the CCR, which is forecast to rise by over 35 per cent (DEEWR 2011e). This suggests that most of the growth in subsidies will be due to fee increases, as the CCR is directly linked to out-of-pocket expenses of parents.

As ECEC fees are expected to rise as a result of the NQA, the structure of childcare subsidies will result in families paying at least 50 per cent of the expected increase. The extent to which the fee increases will affect families depends on a large number of variables, such as the type of care used, the hours of care, family income and family composition. In some cases, parents may have to cover the entire increase in fees.

The underlying design of the CCB — a combination of a pre-determined dollar amount of support per hour of care and an income-based eligibility percentage — has not changed since the introduction of childcare subsidies in 1984. In most years, the CCB standard hourly rate has been indexed to the consumer price index.<sup>6</sup> However, the cost of ECEC has risen at a faster rate, particularly since 2000, partly due to a rise in labour costs as the number of staff increased (ABS 2010c; 2011). The CCB standard hourly rate is currently \$3.78 (Commonwealth of Australia 2011), lower than the median cost of care, which was \$5.70 per hour in 2010 (SCRGSP 2011a).

This affects ECEC affordability, as out-of-pocket costs rise faster than subsidies. The issue of affordability is also a concern for ECEC services, and influences the wages offered to staff. Gowrie SA commented that:

There is little capacity for [long day care] centres to offer above award wages and conditions that attract and retain staff without detrimentally affecting affordability for families. The current suite of childcare funding arrangements limits the establishment and maintenance of high quality services. (sub. DR105, p. 2)

ECEC affordability may deteriorate further as fees rise. The value of the CCB will not change as it is based on the standard hourly rate, rather than the actual costs paid by parents, and the CCR will only refund half of the additional costs.

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<sup>6</sup> The exceptions are 1997 and 1998, when indexation was paused, and 2007, when the rate was increased by over 10 per cent as part of a funding package for ECEC (APH 2002; Treasury 2007).

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Low-income families will be at a relative disadvantage as the fee increases under the NQA will be subsidised only by the CCR. As a result, the proportion of income they spend on ECEC will increase by a larger margin, compared with families on higher incomes. In some cases, the increase in costs may push ECEC fees beyond their reach. Appropriate funding from governments may be required to maintain ECEC access for disadvantaged children, who benefit most from attending these services (appendix C).

### *Changing the funding structure to improve targeting*

Under the current funding system, extending additional support to low-income families may be challenging. Though the CCB is means-tested, it is based on the amount of care used rather than the actual cost of care. Hence, as fees rise, the real value the CCB offers to families will decline. The CCR, which will adjust faster to price increases as it is based on actual costs, is offered to all ECEC users. This will provide greater assistance to high-income families.

The Review of Australia's Future Tax System (commonly referred to as the Henry Review) (Commonwealth of Australia 2009) suggested an alternative to the current funding system that would reduce inequities between ECEC users. It recommended a number of substantial changes to the structure of assistance.

- The CCB and CCR should be combined into one payment, which will be calculated as a percentage of ECEC fees (in effect, discontinuing the calculation that is based on the standard hourly rate).
- Child care assistance should be means tested based on family income. However, a base rate of assistance will be provided to all secondary income earners and sole parent families. The review suggests setting the base rate of assistance at 35 per cent of out-of-pocket costs.
- Low-income families should receive a higher level of assistance, of up to 90 per cent of out-of-pocket costs. In some instances it would be necessary to cover the full costs of childcare for at-risk or vulnerable children.
- An annual cap on assistance should be retained, but indexed. Most assistance should be on an ongoing basis; however, the review suggests a portion of assistance should be delivered as a quarterly payment.
- Access to the base rate of assistance would be available to parents who participate in work, education or training. The hours subsidised for parents who do not meet the participation test should be the same as the number of hours of universal access to preschool (15 hours by 2013).

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Modelling has shown that implementing the review's suggestions increases assistance to low-income families, while reducing payments to families on high incomes (Duncan et al. 2010). These changes may be particularly important given the expected fee increases as a result of the NQA. Currently, families earning higher wages spend less on ECEC as a proportion of income, and they will also be less affected by the fee increase resulting from the NQA (table 3.2).

Depending on policy design, the implementation of the Henry review recommendations is likely to lower government expenditure on childcare subsidies. At the same time, it is also likely improve the targeting of assistance, ensuring families on lower wages spend a smaller proportion of income on ECEC. The Brotherhood of St Laurence expressed its support for the implementation of the Henry review recommendations, in order to ensure that low-income families are not adversely affected by the implementation of the NQA (sub. 32).

While the Australian Government has responded to some recommendations of the Henry review, there are no current plans to change the structure of child care subsidies.

#### RECOMMENDATION 3.6

***Cost increases across the ECEC sector are expected as a result of the Council of Australian Governments (COAG) ECEC reforms. To ensure these cost increases do not reduce access to ECEC services by low-income families, governments should consider alternative structures for childcare subsidies that improve the targeting of childcare assistance.***

**Table 3.2 Family expenditure on ECEC and the effect of subsidies**

<i>Annual family income</i>	<i>Current expenditure on ECEC after CCB and CCR<sup>a,b</sup></i>	<i>Expenditure on ECEC post-NQA, after CCB and CCR<sup>b,c</sup></i>	<i>Current expenditure on ECEC after the proposed Henry subsidy<sup>a,d</sup></i>	<i>Expenditure on ECEC post-NQA, after the proposed Henry subsidy<sup>c,d</sup></i>
\$	Per cent of income	Per cent of income	Per cent of income	Per cent of income
<b>Couple family with one child in part-time care<sup>e</sup></b>				
39 785 <sup>f</sup>	2.4	2.9	1.8	1.9
81 000 <sup>g</sup>	2.5	2.7	3.6	3.8
140 000 <sup>h</sup>	2.5	2.6	3.3	3.4
<b>Couple family with two children in part-time care<sup>e</sup></b>				
39 785 <sup>f</sup>	4.2	5.1	3.5	3.7
81 000 <sup>g</sup>	4.1	4.5	4.7	4.9
140 000 <sup>h</sup>	4.9	5.1	6.5	6.9

<sup>a</sup> The current cost of care was calculated based on the average hours of attendance in long-day care and the median cost of care as reported in the Report on Government Services (SCRGSP 2011a). <sup>b</sup> The CCB and CCR calculations were based on the process outlined in the Family Assistance Guide (Commonwealth of Australia 2011). <sup>c</sup> The future cost of care adds the effect of the NQA implementation, as quantified by COAG (2009h), to the current cost of care. <sup>d</sup> The value of the proposed subsidy was calculated as suggested in the Review of Australia's Future Tax System (the Henry review) (Commonwealth of Australia 2009). The maximum assistance rate of 90 per cent was applied to the income designated as the lower income threshold under the CCB (\$39 785 per annum). For the middle income, the CCB percentage, which determines the proportion of the standard hourly fee received by the household, was used to calculate the value of the subsidy. The minimum assistance rate of 35 per cent was applied to the higher income. <sup>e</sup> Part-time care refers to 25.7 hours per week, the average attendance as reported in the Report on Government Services (SCRGSP 2011a). <sup>f</sup> The lower income threshold under the CCB, which entitles families to receive the full subsidy rate. <sup>g</sup> The annual income of a family with one median wage earner and one minimum wage earner. <sup>h</sup> The annual income of a family with one high wage earner and one average wage earner.

Source: Productivity Commission calculations based on Commonwealth of Australia (2009, 2011); COAG (2009h); SCRGSP (2011a).

## Fee increases may lead to lower labour force participation

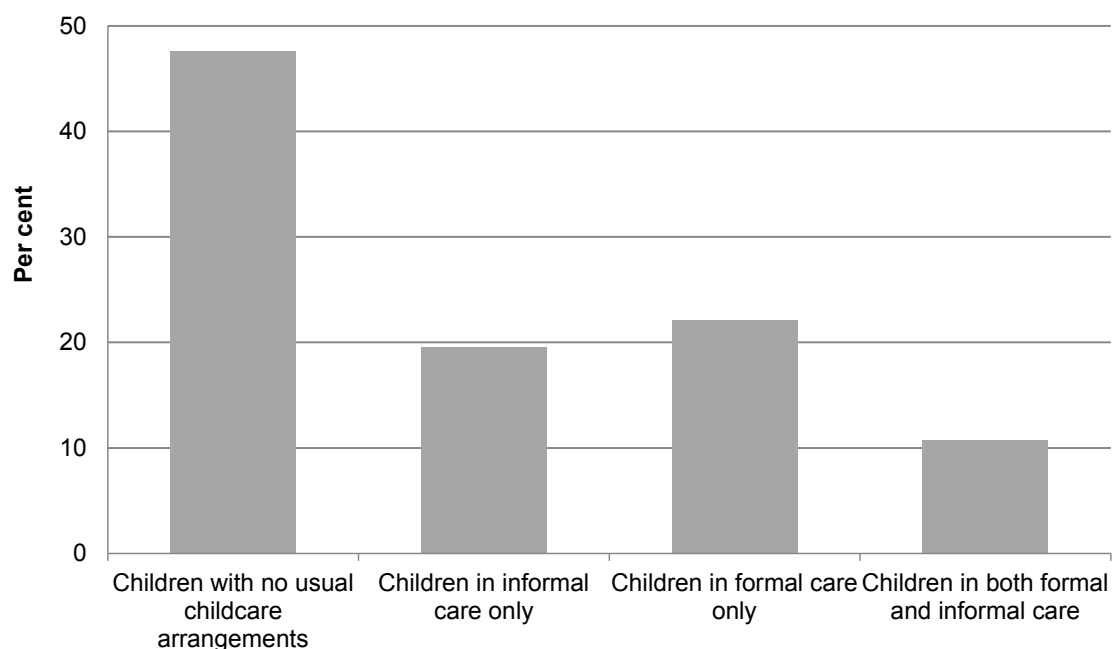
Increases in ECEC fees will influence the labour market participation decisions of all families. Some parents may reduce their labour supply, while others may remain out of the workforce for longer. This section identifies potential effects on the labour market; however, it does not evaluate their overall costs and benefits to the community.

Currently, parents (usually mothers) withdraw from the labour force to provide care for young children, use formal care that is provided by ECEC services, informal care by family or friends, or a combination of these while they work (figure 3.3).

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Figure 3.3    **Participation in ECEC for children under five years, 2008-09**

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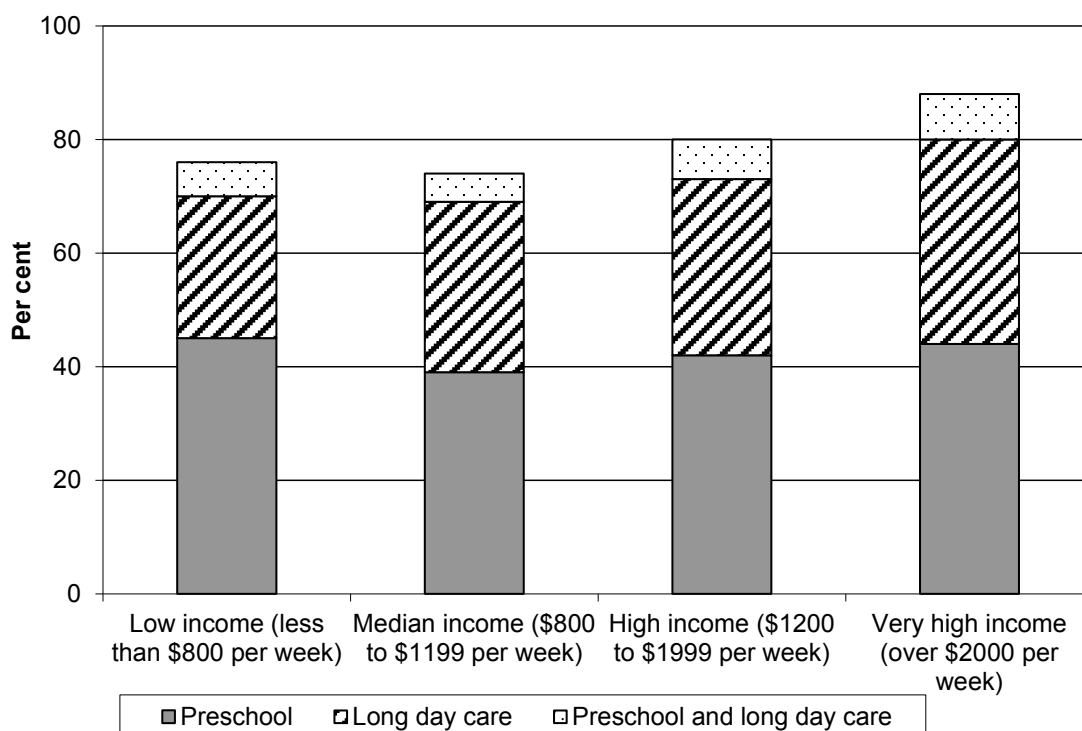
Source: ABS (2009c).

The largest group of children (48 per cent of children aged 0–5 years) are those in parental care only. As cost is one consideration in the decision to use ECEC, the expected increase in fees is likely to deter some parents considering placing their children in an ECEC service in order to re-enter the workforce.

Similarly, as formal ECEC fees increase, children in informal care (20 per cent of children aged 0–5 years) are more likely to continue being cared for by grandparents and other family members or friends. Children who are cared for in a combination of formal and informal care (11 per cent of children aged 0–5 years) may experience longer hours in informal care, which will limit the labour supply of their carers. Overall, the NQA may lead to an increase in the demand for informal care.

The response to fee increases among ECEC users will vary by income (chapter 2). Currently, demand for ECEC is higher among families with low and high incomes, and lower among middle income earners (figure 3.4).

Figure 3.4 Participation in ECEC by weekly family income, 2008-09<sup>a</sup>



<sup>a</sup> Includes couple families with children aged 3–6 years who attend either preschool or long day care. For one-parent families, participation rates do not vary considerably by income, averaging about 72 per cent overall. One-parent families are more likely to send their children to long day care as their income rises, and less likely to enrol them in preschool.

Source: ABS (2009c).

One explanation for this pattern of participation is the structure of government subsidies. Families on low incomes can benefit from higher levels of childcare subsidies, which in some cases can cover the entire cost of ECEC. These families may be able to participate in programs such as JET assistance, which requires them to pay only 10 cents per hour of care, may use non-mainstream ECEC services, which are fully funded by government, or may be eligible for state subsidies when enrolling their children in preschool (appendix F). This high level of subsidisation supports a higher level of demand for ECEC.

As family income begins to rise, most government assistance is gradually withdrawn. This applies both to childcare subsidies and other benefits, and can have negative implications for families' decisions in regards to their workforce participation (box 3.2).

In the case of childcare subsidies, median-income families are likely to be eligible for a substantial proportion of the CCB and the CCR. Overall, however,

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out-of-pocket ECEC expenditure rises rapidly, and the result is lower participation in ECEC. Demand for ECEC increases again for families on higher incomes.

As ECEC fees rise due to the NQA:

- the effect on families who receive nearly full subsidisation of their ECEC usage is likely to be minimal. The Australian Government will continue to provide substantial subsidies to these families, which will support their continued participation
- families on low to median incomes are likely to reduce their labour force participation and rely more heavily on parental care (NSW Children's Services Forum, sub. 23). Research has shown that ECEC demand from mothers whose income is below the median wage is more sensitive to price increases than those on a higher income (Gong and Breunig 2011)
- families on high incomes are less likely to change their demand for ECEC, absorbing the higher cost. These families will have to forego substantial income if they withdraw from the labour force, which will further encourage them to use ECEC services despite increased costs.

Families' response to an increase in ECEC fees will also depend on the ages of their children. For families with babies and very young children, who are already far less likely to use ECEC, the increased availability of paid parental leave, coupled with increases in ECEC fees, is likely to mean one parent (most often the mother) will spend more time away from the workforce. This, however, is potentially beneficial to family wellbeing (PC 2009b).

### Box 3.2 Is it worth working?

Families decide how much to work (or how much work to look for) based on their household budget constraints — comparing the expected income from work, plus government benefits, to expected expenditure, including income tax and the cost of early childhood education and care (ECEC) for young children.

For many families, there are two main types of government benefits to be considered: family tax benefit (FTB) part A and part B, which directly increase household income, and childcare subsidies, which lower the cost of ECEC. These benefits are means tested (except for the child care rebate). Therefore, as families generate more wages, their benefits are reduced, and in some cases, they are no longer eligible to receive assistance. Hence, families ask themselves if the expected increase in wages will outweigh the reduction in benefits and higher costs; in other words, is it worth working?

The following scenarios show that working generally pays off, though the gains can be limited. The example used is based on a family with one primary income earner and two children. The gain for the secondary income earner increasing their working days from three to four is \$78.32 per week – or a 5 per cent increase in net income.

#### Household budget considerations (\$ per week)<sup>a</sup>

<i>Days worked by secondary income earner</i>	<i>Combined family wage<sup>b</sup></i>	<i>Family Tax Benefit (A and B) received<sup>c</sup></i>	<i>Income tax paid<sup>d</sup></i>	<i>Net ECEC cost<sup>e</sup></i>	<i>Net income</i>	<i>Difference</i>
0	1 334.60	161.32	303.00	—	1 192.92	—
1	1 547.47	126.71	305.00	11.74	1 357.44	164.52
2	1 760.33	84.14	343.00	34.90	1 466.57	109.13
3	1 973.20	51.76	380.00	61.92	1 583.03	116.46
4	2 189.00	—	447.00	80.65	1 661.35	78.32
5	2 422.71	—	526.00	114.31	1 782.40	121.06

<sup>a</sup> Based on a couple family with two children under 13 years, one of whom attends long day care. The primary income earner works full time. <sup>b</sup> Wage data were sourced from the 2009 wave of Household, Income and Labour Dynamics in Australia (HILDA) survey. The primary income earner was assumed to have the higher mean wages, while the secondary income earner had lower wages. <sup>c</sup> Based on the rates of assistance that applied in 2009. <sup>d</sup> Based on the rates of taxation that applied in 2009. <sup>e</sup> Based on the ECEC costs and usage reported by families in the 2009 HILDA survey. On average, families used long day care for 25.6 hours each week. Costs are the out-of-pocket fees paid by the household, after the 2009 rates of the child care benefit and the child care rebate have been applied. — Nil.

Source: Productivity Commission calculations based on the HILDA survey and Commonwealth of Australia (2011).

Changes to family tax policies and increases in the cost of ECEC will affect the household budget. The HILDA data reflect the family tax policies of 2009; however, since then indexation was paused on some components of the family tax benefit as well as the child care rebate (Commonwealth of Australia 2011). This results in a lower effective rate of assistance. Although income tax rates have also declined, the net income of some families will be lower. Overall, this makes working less profitable, which is likely to translate into lower labour force participation across the economy.

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Families with slightly older children will have the option of withdrawing from LDC centres and enrolling in preschool programs, which typically charge lower fees and will be more widely available following the introduction of the NPA ECE. As preschool programs will only be offered for 15 hours a week, whereas LDC centres operate for much longer hours, this shift may also reduce workforce participation by parents as their children attend ECEC for shorter periods of time.

Overall, the ECEC fee increases may lead to a decline in labour market participation. Children in parental care and informal care will be more likely to remain within their current arrangements and this will further entrench low levels of labour supply among mothers of young children. Working mothers earning relatively low wages may also prefer to work fewer hours and care for children at home. Research found that a 1 per cent increase in the price of ECEC will result in a 0.1 per cent reduction in the hours worked by women whose wages are below the median, and a 0.08 per cent decline for women on higher wages (Gong and Breunig 2011).<sup>7</sup>

These trends have been observed in the past, as female labour market participation declined in response to lower ECEC affordability. In 1998, the Senate considered the implications of the decision to withdraw operational assistance to community-managed LDC centres, which resulted in higher fees. The inquiry suggested that as fees rise, lower labour market participation may lower tax revenue while increasing the need for family payments (Senate Community Affairs References Committee 1998).

#### FINDING 3.3

*The anticipated increase in ECEC fees borne by parents (under existing funding arrangements) is likely to reduce demand for some ECEC services. Some parents may choose not to return to the workforce or to work shorter hours in order to care for children at home, thus reducing workforce participation.*

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<sup>7</sup> Other studies have come to similar conclusions, though the link between childcare costs and labour supply has been found to be weaker. According to Doiron and Kalb (2005), a 10 per cent increase in the price of child care will lead to an average decline of 0.7 per cent in the number of hours worked by women. This increases to 0.8 per cent for women whose wage is below the median.

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## 4 The early childhood education and care workforce

### Key points

- The early childhood education and care (ECEC) sector is large, with over 16 000 service providers employing almost 140 000 individuals to work with more than 1 million children.
- The ECEC workforce is overwhelmingly female (97 per cent).
- The ECEC workforce contains two distinct groups of workers.
  - The first group of workers (approximately 30 per cent) consists of directors and teachers. This group is more likely to work full-time, hold high-level tertiary qualifications and have lengthy tenures in ECEC. They often supervise educators in the second group.
  - The second group (approximately 70 per cent) comprises educators who commonly work on a part-time or casual basis and hold vocational education and training qualifications.
- The predominant mechanisms for determining the wages of ECEC employees are industrial awards.
- Career pathways within the ECEC workforce typically involve entry as an ECEC educator, either after or during the completion of a vocational education and training certificate-level qualification. Some educators progress to fill director roles after obtaining experience and higher level qualifications. However, some educators find that there are insufficient financial incentives to obtain the additional qualifications necessary for career progression.
- There is a significant cohort of transitory workers who spend a short period in ECEC before moving to another part of the workforce or leaving for personal and family reasons. These transitory workers are commonly employed as educators.
- Rates of turnover and the extent of skills shortages in ECEC are broadly consistent with the rest of the workforce. However, staff turnover and skills shortages are a significant issue in rural and remote areas as well as for Indigenous-focused ECEC services.
- Volunteers play an important though diminishing role in the ECEC sector. Increasing professionalism and regulatory burdens have reduced the contribution that ECEC volunteers are able to make. This has resulted in voluntary roles being increasingly taken on by paid employees or management services.

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## 4.1 The changing role of the ECEC workforce

The early childhood education and care (ECEC) workforce has undergone a shift in philosophy in response to a body of scientific work accumulated over the past twenty years (appendix C). This work has demonstrated that differences in adults' life outcomes can be explained in part by early childhood experiences which impact on brain development (Kilburn and Karoly 2008).

This growing understanding of child development has created a paradigm shift in the way early childhood development is viewed by policymakers. The ECEC workforce is now expected to provide not just child care and child minding services, but also education services that enhance the development of children (box 4.1). This new emphasis on education is embodied in the Early Years Learning Framework (COAG 2009h).

Under the Early Years Learning Framework directors and teachers act as pedagogical leaders guiding and organising ECEC educators in order to build shared understandings about child development. Pedagogical leaders also encourage family and community participation in ECEC (Manni and Siraj-Blatchford 2006). In doing so, pedagogical leaders set the tone of professionalism intended under the National Quality Agenda (NQA) (COAG 2009a). The NQA suggests that effective pedagogical leadership requires a tertiary degree, such as a four year teaching degree or equivalent, as well as a number of years of work experience coupled with professional development (DEEWR 2010e).

Expectations of the ECEC workforce have also changed. To work effectively with pedagogical leaders, ECEC educators will need to understand child development, program planning, children's health and safety as well as relationships with families. The NQA suggests that this will require ECEC educators to, at a minimum, be working towards a certificate III or equivalent qualification in ECEC (box 10.2). The NQA reflects these new expectations for pedagogical leaders and ECEC educators by requiring new staff-to-child ratios and more extensive qualification requirements in the ECEC workforce (COAG nd).

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#### Box 4.1      **The ECEC workforce: Carers or educators?**

The National Quality Framework's (NQF) emphasis on the role of the early childhood education and care (ECEC) workforce as educators is motivated by a body of scientific evidence demonstrating that children's cognitive development is initiated well before they begin formal schooling. This work has challenged the assumption that the ECEC workforce provides only care to children, and the new emphasis on education is increasingly recognised in the titles used for various groups of the ECEC workforce.

However, this evidence needs to be considered in the context of a similarly emphatic body of evidence showing that the strongest influence on a child's cognitive development is their parents and their home environment. For example, Fiorini and Keane (2011) is one of a number of empirical papers that find the most significant contributor to a child's cognitive development to be time spent with parents. The paper also finds that effects of ECEC on a child's development are contingent on the parenting style of their family. Indeed, other studies find that children receiving high-quality Early Childhood Development interventions lose most developmental gains within 12–18 months as they return to their original environments (Dickens 2008).

In relation to how the ECEC workforce is referenced, a number of study participants representing the sector objected strongly to the use of the term contact worker (Health and Community Services Workforce Council, sub. 56; Southern Cross University and Early Childhood Australia (NSW), North Coast Branch, sub. 16, United Voice, sub. DR166). They noted that, as a job description, 'contact worker' is problematic as it implies that other members of the workforce, such as directors, are not in contact with children (United Voice, pers. comm., 10 August 2011). They also claimed that terminology such as 'childcare' caused the public to undervalue the role and contribution of such workers (GoodStart Childcare, sub. 34; SDN Children's Services, sub. 31).

In this study the Commission has chosen to adopt the nomenclature used within the NQF. This nomenclature is employed by study participants representing the ECEC sector. In this regard, the Commission is breaking from the convention used by the Australian Bureau of Statistics and even the Department of Employment, Education and Workplace Relations who both use the term 'contact worker'. A determining factor in this decision is the fact that this study will be read by many within the early childhood development sector.

The Commission has adopted the following terminology:

- ECEC workers – refers to all workers in the ECEC sector.
- Directors – are ultimately responsible for operational and governance matters of ECEC centres through the provision of management, leadership and governance to staff. The service leadership provided by directors includes ensuring regulatory compliance. Directors also provide pedagogical leadership and instruction to educators.

(Continued next page)

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#### Box 4.1 (continued)

- Family day care (FDC) coordinators – FDC coordinators provide management services specifically to family day care services and provide support to FDC educators. This involves some pedagogical leadership, monitoring of the progress of children, and administration.
- Teachers – have leadership responsibility for program planning and implementation under the NQF. Teachers will ensure that program planning is consistent with the Early Years Learning Framework (EYLF) and then work directly with educators and group leaders to ensure that it is implemented. This involves some mentoring and training of educators.
- Outside school hours care (OSHC) coordinators – specific to OSHC services, OSHC coordinators manage and organise teams of OSHC educators in order to implement the Framework for School Age Care, called ‘My Time, Our Place’, through program planning and implementation.
- Educators – work directly with children, implementing program planning in accordance with the EYLF by providing care and education services. Though educators work in cooperation and under the supervision of more senior staff, they are required to exercise an autonomous knowledge of early childhood development.

The Commission notes that there is often overlap between roles depending on the size and organisation of a centre. For example, in some small long day care centres, the role of a director and educator may be undertaken by the same person. In contrast, these roles are likely to be more distinct and held by different people in larger long day care centres.

## 4.2 The ECEC workforce

The ECEC workforce includes workers in long day care (LDC), preschools, family day care (FDC), outside school hours care (OSHC) and occasional care (OC) services. This involves almost 140 000 employees working with more than 1 million children across the sector (table 4.1).

**Table 4.1 The early childhood education and care workforce<sup>a</sup>**  
Number of employees

<i>Service type</i>	<i>1997</i>	<i>1999</i>	<i>2002</i>	<i>2004</i>	<i>2006</i>	<i>2010<sup>c</sup></i>
Long day care	40 100	39 800	48 012	52 105	57 816	67 975
Family day care	15 700	14 300	14 974	14 650	13 679	13 575
In-home care	na	na	144	195	203	1 051
Occasional care	2 300	800	996	953	874	769
Other childcare services <sup>b</sup>	900	900	958	959	713	na
Outside school hours care	11 100	16 400	24 346	26 277	29 126	30 342
Preschool	na	na	na	10 321	11 201	25 475

<sup>a</sup> Data from 2008 is not available as the Australian Government Census of Child Care Services (AGCCCS) concluded in 2006. <sup>b</sup> Other childcare services include Multifunctional Aboriginal Children's Services (MACS), Mobile and Toy Library Services, and Aboriginal Playgroups and Enrichment Programs. <sup>c</sup> Data from 2010 are Productivity Commission estimates based on unpublished DEEWR data from the 2010 National ECEC Workforce Census. **na** Not available.

Sources: DEEWR 2008; Productivity Commission estimates based on unpublished DEEWR data from the 2010 National ECEC Workforce Census; SCRGSP (2011a).

The ECEC workforce is overwhelmingly female, with women constituting 97 per cent of ECEC employees (CSMAC 2006). Men account for 3.5 per cent of ECEC educators, 3.2 per cent of ECEC directors and 1.4 per cent of ECEC teachers (ABS 2009e).

The ECEC workforce is growing rapidly. Between 1997 and 2010, it has almost doubled in size, representing growth of over 5 per cent per year. This includes particularly strong growth in the LDC and OSHC workforces (table 4.1).

### **There are two distinct groups within the ECEC workforce**

Survey data show that the ECEC workforce comprises two different groups of workers: a group employed either as directors or teachers and a second group employed as ECEC educators (figure 4.1). Though there is a significant overlap in the work done by these groups, they result from distinctly different job requirements and responsibilities.<sup>1</sup>

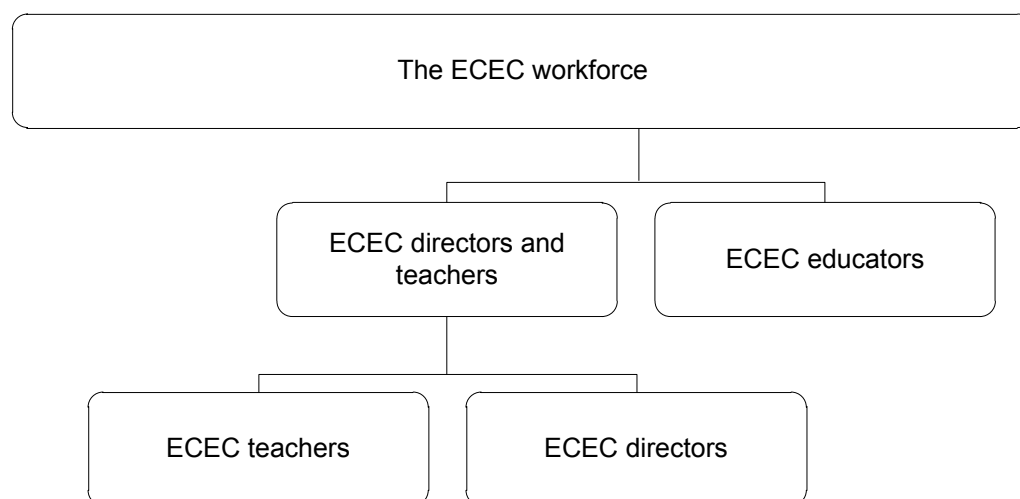
The first group constitutes approximately 30 per cent of the workforce and includes individuals employed as directors, teachers or group leaders (Productivity Commission estimate based on unpublished DEEWR data). This group conducts program planning and leads educators in the second group. The second group makes up roughly 70 per cent of the ECEC workforce and consists of those individuals

<sup>1</sup> There are a number of workers employed in the ECEC sector who have no contact with children. These workers are employed in roles such as cooks, receptionists, bookkeepers and cleaners. As these employees do not provide any direct care or education to children they are not included in the focus of this study.

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employed as ECEC educators, providing education and care services directly to children (Productivity Commission estimate based on unpublished DEEWR data) (figure 4.1).

**Figure 4.1 Groups within the ECEC workforce**



*Source:* CSMAC (2006); Productivity Commission estimates based on unpublished DEEWR data from the 2010 National ECEC Workforce Census.

This first group of directors, teachers and group leaders receive higher wages than ECEC educators as their more demanding positions require them to possess higher qualifications. This reflects their need for a more detailed knowledge of child development and pedagogy, which allows them to effectively lead ECEC educators and ensure compliance with statutory regulations (Marcia Spitzkowsky, sub. 21).

Directors and teachers play an important leadership role in the ECEC workforce, by providing the management, leadership and governance skills necessary to implement the NQA. This includes a complex range of skills necessary for a range of activities including: the capacity to deal with boards of directors; committees of management; funding mechanisms; industrial relations arrangements and the mentoring of staff (box 4.2).

ECEC educators also provide care and education directly to children and while they require a detailed knowledge of child development and pedagogy, they require fewer managerial skills. As such, ECEC educators commonly hold either certificate-level qualifications (30 per cent) or no post high school qualification (43 per cent) (ABS 2008a).

OSHC coordinators are specific to the OSHC sector and provide program planning, but also manage OSHC educators directly. Group leaders have greater responsibility

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for implementing the Framework for School Age Care (My Time, Our Place) which is included in the NQF.

There is of course some overlap between these groups and the roles they fulfil. While a large ECEC centre may have one director and one teacher, smaller centres may have someone filling both roles jointly. Similarly, directors and teachers in small centres may be required to do the work of educators from time to time.

#### **Box 4.2      Service leadership in ECEC**

In addition to pedagogical leadership, service leadership plays an important role in the provision of early childhood education and care (ECEC) services. Service leadership involves the day-to-day administration and management of ECEC services as well as their long-term governance arrangements. This work is typically undertaken by ECEC directors and coordinators and includes a wide variety of tasks, such as strategic planning, statutory compliance, industrial relations and financial management, as well as engagement with the broader community.

Effective service leadership requires specialist skills in business management and leadership, such as the ability to understand industrial relations arrangements and undertake bookkeeping. These skills are different from those required for pedagogical leadership, and must be acquired separately through further study, training and experience (City of Monash, sub. 10; Gowrie Victoria, sub. 41; NIFTeY NSW, sub. 36).

The need for ECEC service leadership is increasing as the sector moves towards greater complexity and professionalism. The National Quality Agenda and more complex modes of service delivery, such as integrated services, are increasing both the breadth of skills required of ECEC service leaders, as well as the need for specialisation in these skills (Gowrie Victoria, sub. 41).

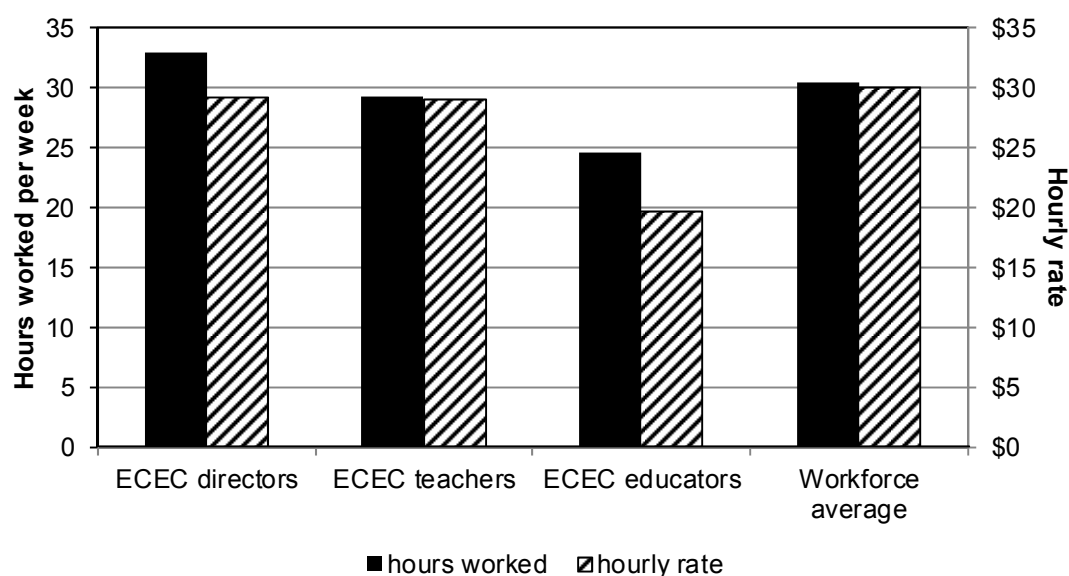
There are a range of proposals for increasing the capacity of ECEC service leadership. These include the establishment of an Advanced Diploma in Early Childhood Management and Leadership, state-wide mentoring and coaching programs, the inclusion of a management major in ECEC teaching degrees, greater specialisation in roles in ECEC centres as well as the establishment of career pathways which allow individuals to move from positions as educators to positions as teachers and directors (Community Child Care, sub. 63; Gowrie Victoria, sub. 41; Margaret Sims, sub. 2; UnitingCare Children, Young People and Families, sub. 62).

### **4.3      Pay and conditions in ECEC**

Study participants commonly observe that the ECEC workforce is underpaid and undervalued (Australian Services Union, sub. DR213; Child Australia, sub. DR168; Community Child Care, sub. 63; LHMU, sub. 55; Playgroup Queensland, sub. 9;

United Voice, sub. DR166). While pay and conditions vary across the ECEC workforce, on average ECEC workers receive lower wages than workers in the rest of the workforce (figure 4.2) and have high rates of casual or part-time work. Study participants reported that the ECEC workforce experiences high levels of stress with little public recognition or status (Child Australia, sub. 78; Community Child Care, sub. 63; Susan Sorensen, sub. 1).

**Figure 4.2 Comparison of average gross weekly earnings**



Source: ABS (2010b); Productivity Commission estimates based on unpublished ABS data.

Study participants expressed concern over the pay and conditions of the ECEC workforce, considering them to be below levels necessary to sustain quality within the sector. These concerns were related to further concerns that ECEC wages reduced the quality of services provided in the sector. For example:

... (low ECEC wages) result in skill shortages, low workforce retention and low uptake in training.... in order to ensure future viability and stability of the ECEC sector and to meet NQF targets, the low pay of the workforce needs to be addressed through government funding directed towards supporting professional wages for all ECEC workers. (United Voice, sub. DR166, p. 3)

ECEC wages, while on average below levels seen elsewhere in the workforce, vary according to position and hours worked. The average hourly earnings of ECEC directors and teachers are considerably higher than those earned by ECEC educators, and approach the average hourly rates for the total workforce. Directors and teachers also have higher weekly earnings than educators as they work longer

hours. Directors average 33 hours per week and teachers 29 hours, while ECEC educators average just under 25 hours per week (figure 4.2).

Awards are the predominant method of determining ECEC wages. Award wages are most common among ECEC educators, over 70 per cent of whom receive wages set by awards, while 35 per cent of ECEC directors earn award wages (table 4.2). However, both groups contrast strongly with the rest of the workforce where only 20 per of workers' wages are set by awards (Productivity Commission estimates based on unpublished ABS data).

**Table 4.2 Rates of award wage use by occupation**

<i>Occupation</i>	<i>2000</i>	<i>2002</i>	<i>2004</i>	<i>2006</i>	<i>2008</i>
	%	%	%	%	%
Total workforce	23	21	20	19	17
ECEC workers	72	69	77	69	66
Education aides	27	5	11	13	13
ECEC directors	51	17	35	45	27
Education managers	6	na	3	6	na
ECEC teachers	46	45	37	35	23
Primary school teachers	12	7	9	13	5

*Source:* Productivity Commission estimates using unpublished ABS data. **na** Not available.

Awards are also more common in ECEC than elsewhere in the human services sector, where the majority of workers have pay and conditions negotiated through collective agreements. For example, 70 per cent of aged and disabled carers have wages set under a collective agreement, as opposed to 27 per cent of ECEC workers. Similarly, collective agreements set the wages of 93 per cent of primary school teachers but only 63 per cent of ECEC teachers' wages (Productivity Commission estimates based on unpublished ABS data).<sup>2</sup>

Though some workers receive wages above the levels set by awards, the evidence available to the study indicates that it is rare for ECEC wages to exceed the award wage by any more than 10 per cent. For example, collective agreements negotiated by the Liquor, Hospitality and Miscellaneous Union (LHMU) on behalf of entry-level LDC educators, resulted in wages that exceeded award rates by an average of 3.41 per cent (LHMU, sub. 55, p. 18).

The notable exception to this are the wages of ECEC teachers employed in the school system and preschool teachers in Victoria. These teachers have pay and conditions negotiated by collective agreements, with wages that exceed awards by a substantial amount (chapter 5). However, these workers represent less than

<sup>2</sup> These numbers represent averages for the biannual surveys presented in table 4.2.

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15 per cent of the total ECEC workforce (Productivity Commission estimates based on unpublished DEEWR data).

The predominance of award wages in ECEC suggests a highly regulated and managed sector in which market forces are moderated. Study participants highlight this issue by suggesting that ‘no true [ECEC] labour ‘market’ exists’ (Community Child Care Co-operative, sub. 53, p.9) and characterising the ECEC workforce as being ‘award-dependent’ (LHMU, sub. 55, p.12). There are a range of ways in which market forces in ECEC are mediated, many of which explain the predominance of award wages. These include the nature of government funding, and impediments to paying wages that reflect different levels of performance (box 4.3).

**Box 4.3      The ECEC wage puzzle: why are ECEC wages unresponsive to demand and sticky at award levels?**

Submissions to the study stress the shortage of qualified ECEC workers. For example:

One of the most pressing challenges currently facing early childhood services across Australia is the shortage of qualified early childhood staff. (City of Greater Geelong, sub. 20, p. 5)

However, submissions to the study also suggest that ECEC wages are too low to attract and retain a sufficient number of skilled ECEC workers. For example:

Low wages in the sector act as a major disincentive to attracting and retaining staff into the early education and care workforce. (Community Child Care Co-operative, sub. 53, p. 9)

Despite these persistent shortages, most ECEC services continue to pay wages that are around award levels (LHMU, sub. 55), even when there are significant waiting lists (Blue Gum Community School, sub. DR115). This raises the question as to what prevents ECEC employers from increasing ECEC wages above the award level until they are able to attract and retain a sufficient number of workers to fill any shortages? (Independent Education Union of Australia, sub. 50). That is, why are ECEC wages unresponsive to increased demand and ‘sticky’ at award levels? There are a number of possible explanations.

- That government regulation of staff-to-child ratios and qualification requirements restrict the scope for services to achieve productivity gains and real wage growth.
  - As ECEC workers’ incomes are directly linked to the number of children in their care, staff-to-child ratios that limit the number of children in an ECEC worker’s care also limit that worker’s income.
- That small community run organisations may lack the expertise to negotiate enterprise-level bargaining arrangements or performance-based agreements and find paying award wages less complex.

(Continued next page)

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**Box 4.3** (continued)

- As a result, award wages become the default wage-setting mechanism for a large number of ECEC workers.
- That ECEC workers feel constrained in asking for pay rises when they have to face parents who will bear the impact through fee increases.
  - This may mean that ECEC wages only increase as relevant awards increase.
  - This may also explain why waiting lists emerge as a means of rationing excess demand. ECEC services are not required to increase the fees paid by parents to clear waiting lists.
- That government-provided ECEC services, with budgets based on funding formulas, do not have the ability to increase wages, or to pay different rates to different staff.
- That industrial awards require some ECEC workers to be paid above their marginal product, with ECEC services required to cross-subsidise productive and non-productive workers.

This suggests that there is limited potential to innovate in the delivery of ECEC services and to reward more productive workers with higher wages. Limits to innovation limit average ECEC labour productivity and therefore wages.

FINDING 4.1

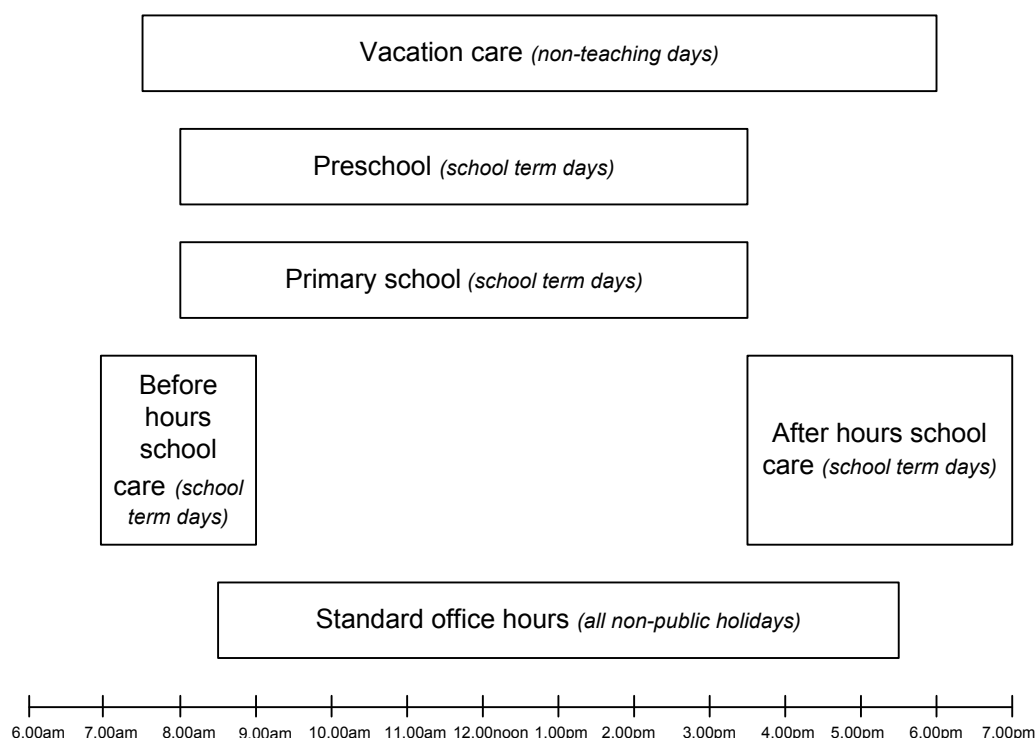
*There are a number of impediments that restrain growth in the wages of the early childhood education and care workforce, causing them to be unresponsive to demand and rigid around the levels set by industrial awards. Many of these impediments also limit productivity growth for the early childhood education and care workforce, and may explain ongoing difficulties faced by some employers in recruiting and retaining staff.*

## **Conditions in ECEC**

### *Work arrangements*

Work arrangements in ECEC reflect services' operating hours, which often require workers to work on a part-time, casual or seasonal basis (figure 4.3). As a result, 72 per cent of the ECEC workforce is in casual or part time employment (Productivity Commission estimate based on unpublished DEEWR data).

Figure 4.3 Opening times for ECEC services<sup>a</sup>



<sup>a</sup> Start and finish times, and opening hours provided are purely indicative and may vary across services. Long day care, family day care, in-home care and occasional care have not been included due to the large variation in hours.

Sources: Productivity Commission estimates based on public submissions, consultations; DEEWR (2008).

Though high rates of part-time and casual work are considered undesirable for the quality of ECEC services (Batchelor Institute, sub. 46; Community Child Care Co-operative, sub. 53; RRACSSU Central, sub. 42; SDN Children's Services, sub. 31), such arrangements often represent the lifestyle choices of employees as well as the needs of employers. For example, many OSHC educators pursue part-time and casual working arrangements as it allows them to pursue other interests (Northcott Disability Services, sub. 18; Playgroup Queensland, sub. 9; Professor Alison Elliott, sub. 70). OSHC employers also benefit as these working arrangements allow them to meet seasonal demand for services (NATSEM, sub. 39).

### *Low recognition and high stress*

Submissions to the study reveal a widespread view that ECEC workers experience high stress, poor morale and a lack of public recognition (Child Australia, sub. 78; Community Child Care, sub. 63; Cronulla Pre-School, sub. 48; Susan Sorensen,

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sub. 1). Bretherton (2010) and Watson (2006) argue that this has led to workers leaving the sector.

Available survey evidence suggests that while stress and status are issues for the ECEC workforce there are also high rates of satisfaction, with many ECEC workers reporting high morale, an intention to progress their ECEC careers and a willingness to recommend a career in ECEC to others. The National Children's Services Workforce Study (CSMAC 2006) surveyed over 11 000 ECEC workers and found that 71 per cent of respondents considered their job to be stressful and that 60 per cent of respondents thought that status and recognition in the community were an issue. However, the same survey also found that 85 per cent of respondents were satisfied with their job, believing their services to have good spirit and morale, while 60 per cent agreed that they would recommend a career in ECEC to others.

The 2010 National Early Childhood Education and Care Workforce Census (DEEWR ndf) produced a similar view of the ECEC workforce with 88 per cent of all respondents agreeing that they were satisfied with their job, over half feeling that their job had a high social status (52.1 per cent) and over 80 per cent agreeing that there was good team spirit and morale in their job. Almost two-thirds of the workforce are interested in furthering their career in the sector while almost 70 per cent would recommend an ECEC career to others.

### *Administration and regulatory burdens*

The ECEC workforce spends significant time complying with a large regulatory and administrative burden. For example, ECEC directors typically spend 58 per cent of their time on administrative work, while ECEC educators typically spend between 40 and 50 per cent of work hours on similar administrative duties (CSMAC 2006).

Regulatory burdens are considered to have a significant negative impact on the retention of ECEC workers (Bretherton 2010) as they create stress which reduces worker satisfaction (Fenech et al. 2008). Several submissions reported that the regulatory burden in ECEC is causing workers to leave for more lightly regulated sectors (GoodStart Childcare, sub. 34; Lady Gowrie Tasmania, sub. 82).

While the introduction of the National Quality Standard is intended to reduce the regulatory burden, some services believe it will do the opposite (KPV, sub. 72). The implications of the National Quality Standard in relation to regulatory burden are discussed in more detail in chapter 3.

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### *Union coverage*

The presence of multiple unions in a single ECEC centre can also add to the administrative burden of ECEC directors (Gowrie SA, sub. 40). The ECEC workforce is represented by four main unions in the institutional framework that determines ECEC payment and conditions: the Australian Education Union (AEU), United Voice (formerly the Liquor, Hospitality and Miscellaneous Union), the Australian Services Union (ASU) and the Independent Education Union (IEU). There are often multiple unions present in a single ECEC service as union coverage varies with the jurisdiction, occupation, service type and ownership type (LHMU, sub. 55). This means that multiple agreements need to be negotiated (C&K Association, sub. 52).

The presence of multiple unions in a single ECEC centre can also create difficulties among staff and make ECEC work less rewarding. Multiple agreements result in variation of pay and conditions among workers. This can create tensions when workers perceive such arrangements as representing a lack of fairness, reducing the attractiveness of ECEC employment (KPV, sub. 72; UnitingCare Children, Young People and Families, sub. 62).

## **4.4 Career pathways in the ECEC workforce**

### **Entry into the ECEC workforce**

Entry into the ECEC workforce occurs for a variety of reasons. Some workers enter with the intention of creating a lasting ECEC career, while other entrants intend to work in ECEC temporarily. While entrants with career ambitions progress to positions as directors or teachers on the basis of study and experience, temporary ECEC workers are commonly employed as ECEC educators. Over 80 per cent of ECEC workers entered the sector as they were interested in working with children (SRC 2011).

Temporary ECEC workers typically hold no ECEC qualification on entry, and commonly work on a part-time or casual basis to facilitate family life and tertiary studies (CSMAC 2006). For example, there are a large number of university students who work in ECEC to support their studies; some studying to become teachers (Catholic Education Office of Western Australia, sub. 65; NATSEM, sub. 39; Queensland Children's Activities Network, sub. 84). There is also a significant number of mothers who work in ECEC, as it allows them to meet family commitments (Catholic Education Office of Western Australia, sub. 65; NATSEM, sub. 39; Professor Alison Elliott, sub. 70).

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## **Progression in the ECEC workforce**

Career pathways within the ECEC workforce typically involve entry as an ECEC educator, with some progressing to positions as ECEC directors on the basis of experience and further study. Teachers commonly enter after completing a bachelor-level degree, while ECEC educators enter both with and without vocational education and training qualifications.

While many entrants develop a long-term career as ECEC professionals, many do not find the benefits of additional qualifications to be worthwhile. This is due to the fact that compensatory wage increases from additional qualifications are too small (C&K Association, sub. 52; LHMU, sub. 55; UnitingCare Children, Young People and Families, sub. 62). For example, in a survey of the ECEC workforce, 66 per cent of ECEC employees agreed that the subsequent wage increase from obtaining an additional ECEC qualification did not make studying worthwhile (CSMAC 2006).

The reticence of workers to pursue additional qualifications was reflected in submissions to the study. ECEC workers revealed that the costs of acquiring the qualifications necessary for promotion to senior positions were not justified by the anticipated increase in pay.

If I went from Assistant director, to director I would get around 50 cents an hour more, for triple the work ... There is no incentive to get more qualifications. (LHMU, sub. 55, p. 22)

As governments and parents have not traditionally seen ECEC workers as providers of educational services, it can be argued that society has not acknowledged the true value of their work. Study participants suggested that this has resulted in a failure to pay ECEC workers sufficient wages to gain additional qualifications (Community Child Care Co-operative, sub. 53; SDN Children's Services, sub. 31; Women's Electoral Lobby, sub. 17). The public recognition of ECEC workers is likely to change under the NQA, which has formally recognised their role as educators as opposed to carers (COAG 2009h).

## **4.5 Recruitment, retention and tenure in the ECEC workforce**

The relatively low level of pay and conditions in ECEC, combined with limited returns to career progression, have been seen to cause recruitment and retention problems in ECEC. As a result, many workers find opportunities in other sectors

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more attractive, exiting the ECEC workforce in a process that has been described as the creation of ‘pathways out of childcare’ (Watson 2006, p. xv; Bretherton 2010).

Study participants suggested that recruitment and retention problems were evident in skills shortages, workers exiting from the ECEC sector and high rates of turnover (Australian Catholic University, sub. 24; Child Australia, sub. 78; City of Geelong sub. 20; Community Child Care Co-operative, sub. 53; GoodStart Childcare, sub. 34; Independent Education Union of Australia sub. 50). This is supported by the Australian Skills Shortage List which identifies skills shortages across all ECEC occupations (DEEWR 2010i) (see box 4.5 below).

### *Skills shortages in ECEC*

Skills shortage research conducted by the Department of Education, Employment and Workplace Relations (DEEWR) found persistent skills shortages across the ECEC workforce with a shortage of suitably qualified ECEC teachers, directors and ECEC educators. Though there were a large number of applicants for vacant ECEC positions (5 to 11 per vacancy), on average only 1.1 applicants were found to be suitable. This is less than the workforce average of 1.5 suitable applicants per vacancy (DEEWR 2010g).

ECEC employers found applicants unsuitable for a range of reasons. Potential ECEC directors were found to lack necessary qualifications, experience or management capacity. Though many applicants for ECEC educator positions held relevant qualifications, many were seen as unsuitable due to inadequate experience, poor communication skills or a lack of motivation. Shortages of ECEC teachers were largely due to more favourable conditions in the school sector where there are no skills shortages (2.9 suitable applicants per vacancy) (DEEWR 2010j).

### *Exit from the ECEC workforce*

Workers exit the ECEC workforce for a variety of reasons and while many leave ECEC altogether, there is a substantial proportion who later return to work in the sector. Many workers left the sector temporarily to take extended leave, including maternity leave (19 per cent), reflecting the large proportion of female workers in ECEC. However, there is a large proportion who leave either to pursue careers in other parts of the workforce (32 per cent), or for personal family reasons (22 per cent) (table 4.3).

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**Table 4.3 Reasons for leaving ECEC position**

<i>Reason</i>	<i>Proportion of departures (%)</i>
New career	32
Family and personal reasons	22
Extended leave (including maternity leave)	19
Residential move	16
Study	7
Retirement or death	4
Total	100

*Source:* CSMAC (2006).

### *Turnover and tenure in the ECEC workforce: Is there a problem?*

Study participants highlighted high rates of turnover, caused by exit from the ECEC workforce, as a problem for the ECEC sector (Australian Catholic University, sub. 24; Child Australia, sub. 78; City of Greater Geelong sub. 20; Community Child Care Co-operative, sub. 53; GoodStart Childcare, sub. 34; Independent Education Union of Australia, sub. 50). Turnover among the ECEC workforce was even raised as evidence of a ‘childcare workforce crisis’ (United Voice nd).

Concerns about turnover of the ECEC workforce are motivated by evidence suggesting that high turnover of educators can decrease the quality of ECEC services received by children. Indeed, continuity has been recognised as an important dimension of good quality ECEC (Da Silva and Wise 2003).

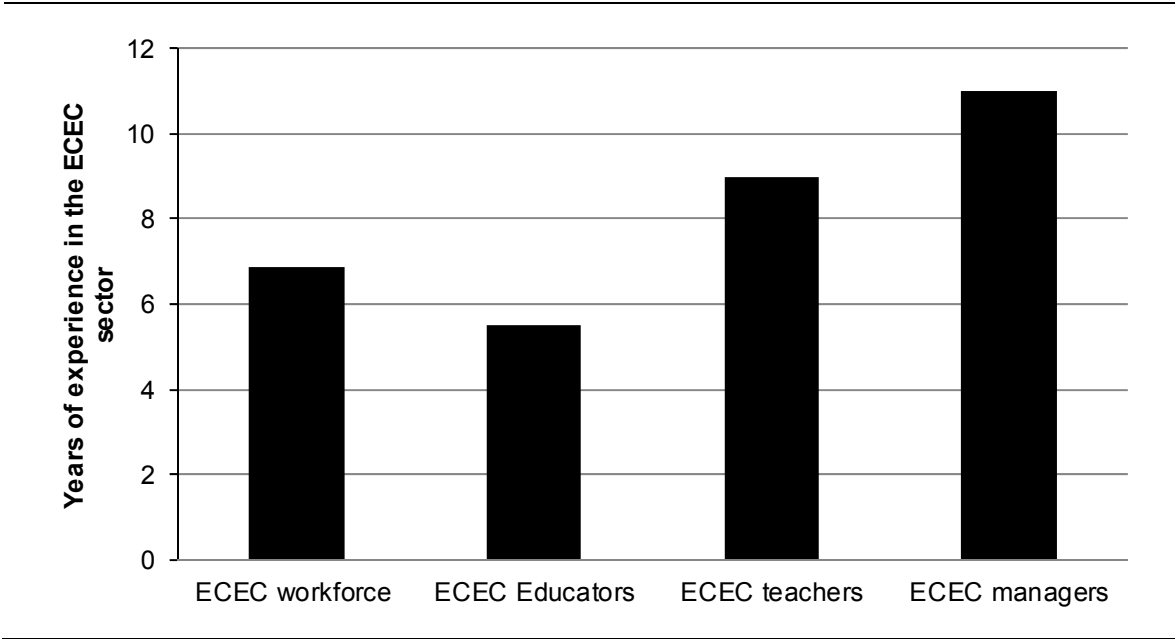
However, statistics suggest that the average turnover of the ECEC workforce is not significantly different from elsewhere in the workforce. For example, though 15.7 per cent of the ECEC workforce departs each year, this is not substantially higher than the 13.1 per cent average for all occupations (DEEWR, sub. 86). Further, the Commission estimates that the average tenure in the ECEC sector is between six and seven years, which is roughly consistent with the rest of the workforce (Productivity Commission estimate based on unpublished DEEWR data from the 2010 National ECEC Workforce Census).

Indeed, some estimates of turnover do not accurately reflect the number of employees leaving the sector. Though some turnover data suggests that as many as 35 per cent of workers leave the sector each year (CSMAC 2006), these estimates include those workers switching between different ECEC centres, and do not represent a sectoral problem. Once adjusted, the data suggests that, on average, only 17 per cent of ECEC employees leave the sector within a given year. These employees leave for a variety of reasons (table 4.3), with fertility decisions having a

major impact. However, many of these employees are likely to eventually return to the sector (box 4.4).

Closer analysis of the ECEC workforce suggests that there is significant variation in turnover and tenure by job type with teachers and directors likely staying for much longer than educators. Indeed, previous workforce surveys show that educators spent, on average, 7.3 years in the sector while teachers and directors spent an average of 11 years (figure 4.4).

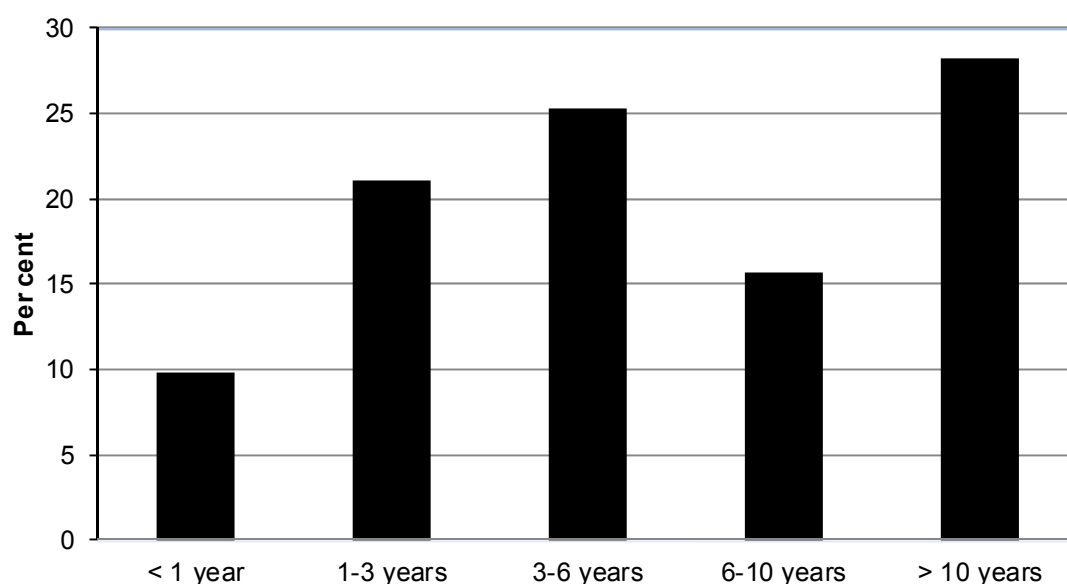
Figure 4.4     **Tenure in ECEC by role**



Source: CSMAC (2006).

This variation in tenure by role is consistent with figure 4.5 where a bimodal distribution emerges. This bimodal distribution of tenure in the ECEC workforce is likely to represent differing career ambitions and lifestyle decisions. Educators are more likely to work in ECEC with the intention of staying for a short period of time, and teachers and directors likely to stay longer (box 4.4).

Figure 4.5 Average tenure in the ECEC workforce <sup>a</sup>



<sup>a</sup> Does not include data for preschool.

Source: Productivity Commission estimates based on unpublished DEEWR data from the 2010 National ECEC Workforce Census

Recruitment and retention pressures, reflected in turnover rates, are not unique to ECEC, with such problems occurring throughout the workforce due to strong macroeconomic conditions and the resultant tight labour market (DEEWR 2010a). However, it does appear that these issues are acute in specific parts of the ECEC workforce. For example, retaining ECEC teachers is a problem as many leave to work in the primary school sector where they enjoy superior pay and conditions (chapter 5). Tenure and turnover is also a problem for Indigenous-focused ECEC services (chapter 14) and services in rural and remote areas (chapter 9) where significant difficulties filling vacant positions and retaining staff are reported (DEEWR 2011r). These shortages reflect challenges unique to these services rather than challenges characteristic of the ECEC sector as a whole.

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#### **Box 4.4      The ECEC workforce in the HILDA survey**

The most recent Household, Income and Labour Dynamics in Australia (HILDA) survey includes a small sample of the ECEC workforce. These individuals are predominantly female, and include 10 centre managers, 14 teachers and 91 educators.

The age distribution of the ECEC workforce appears to be shaped by fertility, with greater workforce participation before and after childbearing years. The ECEC workforce is more likely to have dependent children than the female workforce more generally in all age groups — almost all workers in the sample over the age of 30 have children of their own. There is a larger proportion of the ECEC workforce aged in their twenties, with ECEC apparently used as a transitory profession for young students, who work part time before moving on to sectors relevant to their qualifications. Within the sample, educators tend to be younger, and teachers older, with average ages of 30 and 40 years respectively.

Based on this very limited sample, while satisfied with their jobs, educators and centre managers are unlikely to stay in the ECEC sector for long periods of time. Typically they will only take up a single position in ECEC for 2 to 3 years (or slightly longer in the case of centre managers) before leaving the sector. Teachers are much more likely to choose a long-term career in ECEC, working in a number of different services over the course of a 20-year career.

A position in ECEC is also a popular choice for young students seeking part-time work while undertaking tertiary education. While data on area of study are unavailable, it seems likely that many of these students are studying disciplines unrelated to ECEC, and therefore their presence in the ECEC sector is only transitory. Most of these students do not possess ECEC qualifications, and would therefore be likely to only find employment in outside school hours care once the COAG reforms are introduced.

More than half of educators in the sample work part time, while most teachers and centre managers work full time. Of those working part time, most either work 2–3 full days or 5 half days in an average week. This appears to reflect worker preferences, with the main reasons given for working part-time hours being to care for children, attend study or simply that the worker prefers part-time work. Some full-time workers expressed a desire to move to part-time hours, most of whom have dependent children. This indicates that educators generally have a preference for part-time work, rather than an inability to find a full-time position. Most of the sample is happy with the number of hours they work, and while some want to work fewer hours, these are balanced out by others (mainly students working part time) who want to work more.

The ECEC workforce experiences greater job satisfaction than the employed female workforce. This includes satisfaction with respect to hours of work, job security, and flexibility of working conditions. In particular, high levels of job satisfaction were reported in relation to the work itself, which implies that intrinsic motivation is an important factor in the employment decisions of ECEC workers.

(Continued next page)

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**Box 4.4** (continued)**Average job satisfaction among workers in the HILDA survey (rating out of 10)**

	<i>Pay</i>	<i>Job security</i>	<i>The work itself</i>	<i>Hours</i>	<i>Flexibility</i>	<i>Overall</i>
ECEC	6.8	<b>8.2</b>	<b>8.1</b>	<b>7.5</b>	<b>7.6</b>	<b>8.0</b>
Employed females	<b>7.0</b>	8.0	7.5	7.3	7.6	7.7

Relative to other employed females ECEC workers report lower levels of satisfaction with their pay. Where ECEC workers are part of a dual-income household, their income represents well under half (36 per cent) of their household's total income. This reflects the prevalence in ECEC of part-time employment and low wage rates.

*Source:* Productivity Commission calculations based on unpublished HILDA Survey data.

**Box 4.5 Connections with the rest of the Australian labour market**

The new demand for ECEC workers created by the COAG ECEC reforms may have the unintended consequence of exacerbating existing labour shortages. Current strong employment conditions and existing skills and labour shortages will require new Early Childhood Development (ECD) workers to be bid away from other parts of the economy. This effect is likely to be felt more strongly within the human services sector.

The skill, gender and qualification profiles of many ECD workers are very similar to those working in the aged care, disability care and support, schools and hospitals sectors. Indeed, anecdotal evidence provided to the study suggests that workers such as teachers, nurses and carers are capable of moving between the ECEC sector and other parts of the human services sector, and often do. This suggests that different parts of the human services sector compete for a similar pool of workers.

Like the ECD sector and the broader economy, the rest of the human services sector is experiencing strong growth in demand for workers. Employment growth will be particularly strong in the aged care sector and disability support sectors where similar reforms are also increasing the demand for labour. For example, it has been forecast that aged care reforms will require the proposed aged care workforce to quadruple in size from 2011 to 2050 (PC 2011a). Similarly, it has been noted that future reforms to disability support services may risk creating labour and skills shortages in the disability support workforce (PC 2011b).

With the COAG ECEC reforms creating yet more demand for human services workers, existing skills and labour shortages may be exacerbated. While it is difficult to predict the net outcomes of such pressure, some sectors may be more disadvantaged than others.

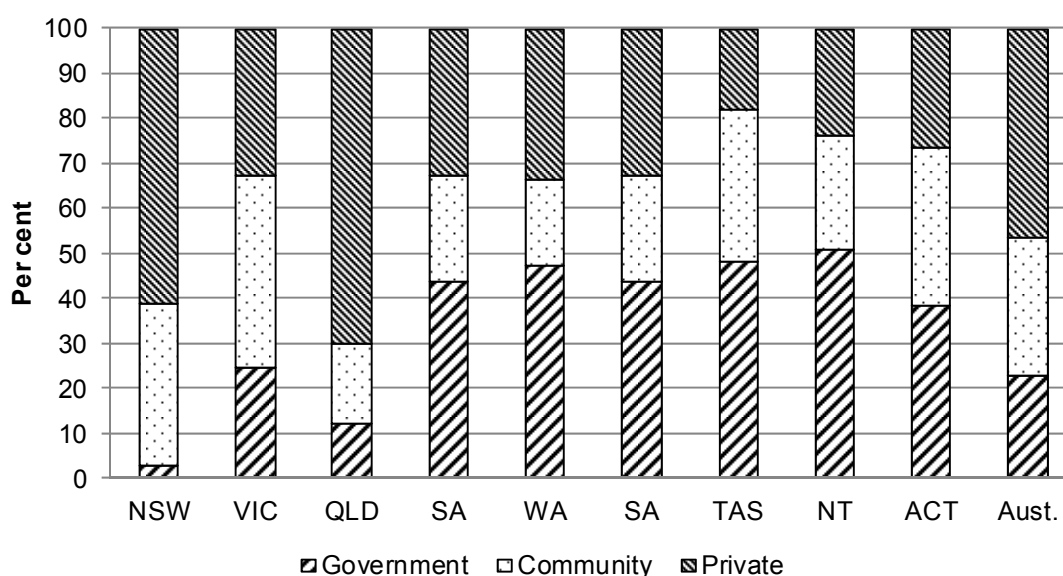
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## 4.6 Where is the ECEC workforce employed?

The ECEC workforce is employed by a wide range of firms and community organisations. These include private national operators with hundreds of employees through to small community-run centres with a handful of staff providing services to a single neighbourhood.

The private sector plays a significant role in ECEC, constituting 46 per cent of employers, with direct government provision accounting for 23 per cent of employers and community-run centres 31 per cent (figure 4.6). There is some overlap across sectors with community-run centres often receiving free use of premises from governments, and some community-run services employing professional managers (KPV, sub. 72).

Figure 4.6 ECEC services by ownership type<sup>a</sup>



<sup>a</sup> Does not include family day care or OSHC.

Source: Access Economics (2009) based on SCRGSP (2009) and data supplied by DEEWR and state governments.

## 4.7 Volunteers play an important but declining role in the ECEC workforce

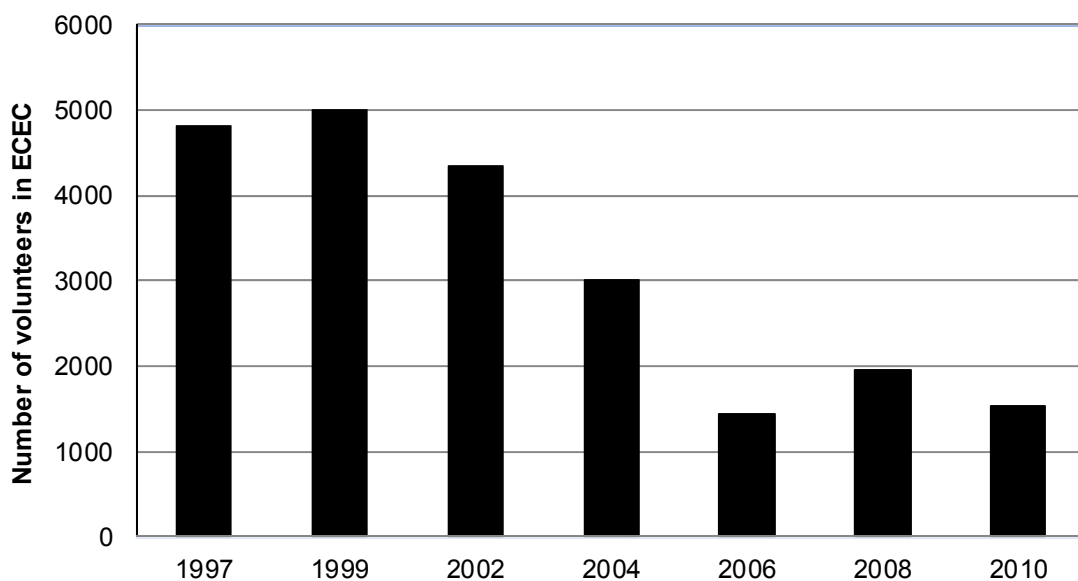
There were approximately 1530 volunteers working in ECEC in 2010 (Productivity Commission estimate based on unpublished DEEWR data). This group includes

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individuals undertaking work experience, students and trainees, as well as parents working on community committees.

The number of volunteers in ECEC has been trending downwards over time (figure 4.7). Increasingly complex regulation and an increased emphasis on education over care has reduced the scope for volunteers to participate in the day-to-day operation of ECEC services (Community Connections Solutions Australia, sub. 75).

**Figure 4.7 Volunteers in the ECEC workforce**



Sources: DEEWR 1999–2008; Productivity Commission estimates based on unpublished DEEWR data from the 2010 National ECEC Workforce Census.

The tendency of increased professionalisation of the ECEC sector to displace the volunteer ECEC workforce is evident in the migration to cluster management of preschools. Under these arrangements parent-run community committees are replaced by organisations who provide professional management services (City of Casey, sub. 35; Government of South Australia, sub. 66), and close to 50 per cent of previously parent-managed preschools in Victoria have already transitioned to cluster management (DEECD 2009d). The issue of volunteer management of ECEC services is discussed in more detail in chapter 3.



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## 5 The preschool, long day care and occasional care workforce

### Key points

- The National Quality Standard (NQS) and the National Partnership Agreement on Early Childhood Education (NPA ECE) will significantly increase demand for qualified staff in preschool and long day care (LDC) settings. The change in demand will differ across jurisdictions.
  - Western Australia is the only jurisdiction already compliant with the staff-to-child ratios of the NQS, but is still working towards the goals of the NPA ECE.
  - New South Wales, Victoria and Tasmania display more moderate progress towards meeting the NQS and the NPA ECE.
  - Queensland, South Australia, the Northern Territory and the ACT require more substantial progress to meet the NQS and the NPA ECE.
- Occasional care is excluded from the NQS. Demand for qualified staff in occasional care is not expected to change, but services may find recruitment more difficult.
- While the rapid increase in demand for qualified teachers and educators resulting from the upcoming reforms can be partly met by training existing staff, new teachers and educators will be needed.
- To assist in the transition to the NPA ECE, governments should permit 3-year-qualified teachers to enter, or return to the workforce, and deliver a preschool program where a plan is in place to upgrade their qualification.
- In order to attract and retain a sufficient number of early childhood teachers to achieve the NQS and the NPA ECE, salary and conditions offered by LDCs as well as community- and privately-managed preschools in New South Wales will need to be competitive with those offered to primary teachers in the school sector.
- In order to attract and retain a sufficient number of educators with diploma qualifications to achieve the NQS and the NPA ECE, wages will need to increase, particularly in LDCs and community- and privately-managed preschools.
- Commission modelling indicates that as a result of the upcoming reforms, the preschool and LDC workforce could be about 15 per cent larger than it would otherwise have been. The model also suggests that early childhood teacher and diploma-qualified educator wages could be at least 10 per cent higher than they would be in the absence of the reforms, while certificate III-qualified educator wages are unlikely to change substantially.

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Long day care (LDC) centres offer early childhood care and education (ECEC) services to children, usually from birth to the start of formal schooling. Most LDC services are open from 7.30am to 6.00pm for at least 48 weeks per year.

Preschools (also known as kindergartens in some jurisdictions) mostly offer educational programs to children in the year before formal schooling. Some preschools also offer programs to younger children. Preschool operating hours tend to be shorter than LDC centre hours, and most preschools are only open during school terms. Preschools can operate either as stand-alone services, or within a registered school.

There is an increasing trend towards the provision of preschool sessions in LDC. About 84 per cent of preschools and 37 per cent of LDCs nationally currently offer preschool programs delivered by a qualified teacher (DEEWR ndf). In Western Australia LDC-based preschool programs are not officially recognised by the State Government, and in Tasmania a preschool can only operate within a registered school (ABS 2010f).

Occasional care (OC) services are centre-based<sup>1</sup> child care services that provide care for children who attend the service on an hourly or sessional basis, often for short periods or at irregular intervals. However, some children may attend OC on a regular basis. The City of Casey submitted that in their municipality ‘occasional care is more generally used as permanent part-time care rather than occasional care’ (sub. DR172, p. 3).

Compared to preschool and LDC services, which require enrolment and regular attendance, OC operates as a more informal service and does not require a long-term commitment from families. Families use OC to accommodate casual, shift or part-time work, respite care, crisis and emergency care, and personal commitments.

Among mainstream ECEC services (excluding preschool), OC has the highest attendance rates of Indigenous children, children with a disability and children whose parents speak a language other than English (SRC 2011). In some cases, OC may be offered as part of an integrated family support program (Brotherhood of St Laurence, sub. DR182).

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<sup>1</sup> The Regulatory Impact Statement for the COAG ECEC reforms defines occasional care as ‘centre-based’ (COAG 2009h). Therefore, this chapter does not consider occasional care services delivered outside centre-based environments, such as child minding services in shopping centres, gyms, office buildings and other places of recreation or work.

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Hume City Council submitted that OC was a more accessible ECEC service for families on low incomes as it did not require a long-term or ongoing financial commitment like preschool or LDC typically do.

The nature of OC as a flexible, local service with shorter hours makes it more accessible and affordable, especially for families in crisis. Through OC, Council is able to provide cognitive and social development to children from disadvantaged backgrounds. Families who may otherwise not consider using an ECEC [service] such as childcare or preschool have an option that meets the care needs of the family while also meeting the educational, social and developmental needs of children. (sub. DR325, p. 5)

Because of the similarities between the ECEC service provided by preschool, LDC and OC, these types of services tend to employ similarly qualified staff. As such, there is competition between preschool, LDC and OC services for staff.

## **5.1 Key features of the preschool, long day care and occasional care workforce**

The preschool, LDC and OC workforce can be grouped into four broad categories: qualified early childhood teachers, educators, service directors and administrators and other (non-contact) staff. Qualified teachers and educators interact directly with children to deliver ECEC. Qualified teachers hold university degrees, while educators usually have either diploma or certificate level qualifications in children's services (chapter 4). Service directors provide management, leadership and governance to staff within ECEC services and will typically hold a qualification from a vocational education and training or higher education institution. Administrators and other staff perform roles that are necessary for the operation of the service but do not involve direct supervision of children, such as account keeping, cooking and cleaning.

Educators form the larger part of the preschool, LDC and OC workforce. There were 65 400 educators employed in preschool, LDC and OC services nationally in 2010, compared to 15 000 teachers (table 5.1). There were a smaller number of managers, administrators and other non-contact staff employed in the delivery of preschool, LDC and OC services.

Data on the OC workforce is limited, as only OC services approved by the Australian Government to administer the child care benefit are included in the national ECEC workforce census (appendix B). In 2010, the census reported that the OC workforce contained just 769 individuals working in 85 services; however, the actual OC workforce is likely to be far larger. For example, the Report on

Government Services reports 746 licensed and registered OC services were operating in 2009-10 (SCRGSP 2011a).

**Table 5.1      Preschool, long day care and occasional care workforce, 2010**

	<i>Workers</i>	<i>Share of total</i>
	no.	%
Qualified teachers (non-management)	15 082	16.1
Educators	65 405	69.4
Management and administration	5 868	6.2
Other <sup>a</sup>	3 171	3.4
Employment type not known	4 690	4.9
<b>Total workforce</b>	<b>94 216</b>	<b>100</b>

<sup>a</sup> Estimates of other (non-contact) staff employed in preschools were not available.

*Source:* Productivity Commission estimates based on unpublished DEEWR data from the 2010 National ECEC Workforce Census.

The majority of the OC workforce are employed as educators. These educators are more likely to be in part-time or casual employment compared with the rest of the ECEC workforce, with 74 per cent of the OC workforce employed on this basis (Productivity Commission estimates based on unpublished DEEWR data). This is largely because of the nature of OC services, which require a flexible workforce to operate effectively.

The most common qualification in the preschool workforce is a bachelor degree, while in the LDC and OC workforces, diploma and certificate level qualifications are more common (table 5.2). About 71 per cent of the preschool workforce is qualified at the certificate III level or higher, while the comparable estimate for both the LDC and OC workforces is 77 per cent.

**Table 5.2      Educational attainment of the preschool, long day care and occasional care workforce, 2010<sup>a</sup>**

	<i>Preschool</i>	<i>Long day care</i>	<i>Occasional care</i>
	%	%	%
Bachelor degree or higher	36.7	9.4	8.3
Advanced diploma or diploma	17.4	31.9	36.7
Certificate III or IV	17.3	35.2	31.9
Less than certificate III	2.8	1.8	3.6
No ECEC qualification	25.8	21.7	19.5

<sup>a</sup> Highest level of attained qualification in an ECEC related field. Does not include qualifications that individuals may be currently studying towards but have not yet attained.

*Source:* DEEWR (ndf).

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## **5.2 Demand for preschool, long day care and occasional care teachers and educators**

Demand for preschool, LDC and OC teachers and educators is derived from the demand for preschool, LDC and OC services. Demand for services is in turn determined by a combination of factors relating to parental preference and government policy. Parents demand preschool, LDC and OC services because of the relative costs and benefits of work and paid ECEC, and the value they place on early childhood education. Governments might also use preschool, LDC and OC services to achieve policy goals such as increased labour force participation and improved early childhood education.

### **The effect of COAG reforms on the LDC and preschool workforce**

The Council of Australian Governments (COAG) has agreed to two substantial reform initiatives affecting ECEC services: The National Quality Agenda and the National Partnership Agreement on Early Childhood Education (chapter 3).

From 2012, the National Quality Agenda will put in place a National Quality Standard (NQS) that will introduce compulsory national standards for ECEC across Australian preschools and LDC centres. OC services are currently excluded from the NQS, with this decision to be reviewed in 2014. For preschool and LDC services, the national standards will establish higher minimum qualifications for staff (table 5.3) and require higher staff-to-child ratios in most jurisdictions. The NQS also incorporates the Early Years Learning Framework, which guides services, including LDCs and preschools, and their staff in developing early childhood programs (COAG 2009a).

The NQS will require LDCs to employ qualified early childhood teachers. In the past, preschools have employed early childhood teachers, with few teachers employed in LDC. New South Wales is currently the only jurisdiction that requires LDCs to employ a qualified early childhood teacher, and only when there are more than 29 children in attendance. The NQS will also require preschool and LDC educators in all jurisdictions to hold or be studying towards a Certificate III in Children's Services at a minimum by 1 January 2014.

**Table 5.3 National Quality Standard staff qualification requirements for preschool and long day care services**

<i>Number of children (at any one time)</i>	<i>Qualification requirements</i>	<i>Timeframe</i>
Less than 25	<p>50 per cent of educators have (or are actively working towards) a Diploma of Children's Services qualification<sup>a</sup></p> <p>Other educators have (or are actively working towards) a Certificate III in Children's Services qualification</p> <p>An early childhood teacher is in attendance for at least 20 per cent of the time that the service is provided</p>	1 Jan 2014
25 to 59	<p>50 per cent of educators have (or are actively working towards) a Diploma of Children's Services qualification<sup>a</sup></p> <p>Other educators have (or are actively working towards) a Certificate III in Children's Services qualification</p> <p>An early childhood teacher is in attendance for at least six hours per day whenever the service is provided to 26 children or more<sup>b</sup></p>	1 Jan 2014
60 to 80	<p>50 per cent of educators have (or are actively working towards) a Diploma of Children's Services qualification<sup>a</sup></p> <p>Other educators have (or are actively working towards) a Certificate III in Children's Services qualification</p> <p>An early childhood teacher is in attendance for at least 6 hours per day whenever the service is provided to 26 children or more<sup>b</sup></p> <p>A second teacher or another suitably qualified individual is in attendance at the service for at least 3 hours per day whenever the service is being provided to 60 children or more<sup>c,d</sup></p>	<p>1 Jan 2014</p> <p>1 Jan 2020</p>
Over 80	<p>50 per cent of educators have (or are actively working towards) a Diploma of Children's Services qualification<sup>a</sup></p> <p>Other educators have (or are actively working towards) a Certificate III in Children's Services qualification</p> <p>An early childhood teacher is in attendance for at least 6 hours per day whenever the service is provided to 26 children or more<sup>b</sup></p> <p>A second teacher or another suitably qualified individual must be in attendance for at least 6 hours per day whenever the service is provided to 80 children or more<sup>b,d</sup></p>	<p>1 Jan 2014</p> <p>1 Jan 2020</p>

<sup>a</sup> For every two educators, at least one must have (or be enrolled in and studying) a Diploma level Children's Services qualification. Qualified early childhood teachers in the service also count towards the diploma staffing requirement. <sup>b</sup> If the service operates for less than 50 hours per week, attendance is to be for 60 per cent of the operating hours of the service each day. <sup>c</sup> If the service operates for less than 50 hours per week, attendance is to be for 30 per cent of the operating hours each day. <sup>d</sup> A 'suitably qualified individual' must hold a degree qualification approved by the Australian Children's Education and Care Quality Authority.

Source: COAG (2009h).

The National Partnership Agreement on Early Childhood Education (NPA ECE) will also require an expansion in preschool services. The NPA ECE aims to offer all children access to 15 hours of preschool per week in the year before formal

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schooling by 2013. According to the NPA ECE, the preschool program will be delivered by a 4-year degree-qualified teacher, and governments have committed to maintaining the affordability of preschool fees. The 15-hour preschool program can be delivered in a variety of settings, including preschool and LDC. Some jurisdictions have already achieved universal preschool enrolments, while in others attendance will need to increase substantially if universal access is to be achieved.

*Demand changes will differ by type of service and qualification*

As a result of the COAG ECEC reforms, national demand for qualified teachers and educators will increase in preschool and LDC. Modelling undertaken by the Commission suggests that the preschool and LDC workforce could be about 15 per cent larger than it would have been in the absence of the reforms. However, the extent of the increase will vary across jurisdictions and services depending on their current arrangements, including qualification requirements (for a complete discussion of the modelling and the empirical results, see appendix E).

In the case of LDC services, the initial increase in demand for staff may be moderated by changes in demand for services induced by fee increases. Overall, employing more qualified staff will increase labour costs. LDC services are likely to pass on these increased costs to parents in the form of higher fees (with, under existing subsidy arrangements, only a part of that higher fee being subsidised by government). Commission modelling suggests that higher fees could lead to around 10 per cent fewer children attending LDC than without the reforms. Any reduction in demand for LDC services would moderate the increase in demand for staff resulting from the introduction of the NQS.

Stronger growth in demand for staff is expected in preschools. Preschools are largely funded by state and territory governments (with substantial transfers from the Australian Government to help in the transition to universal access), requiring smaller copayments from parents (chapter 2). As governments have committed to ‘ensuring cost is not a barrier to access [to preschool]’ (COAG 2009d, p. 6), Commission modelling assumed that preschool out-of-pocket fees for parents will not change as a result of the COAG policy reforms. Hence, the level of preschool attendance is likely to be around 40 per cent higher than it would otherwise have been — reflecting both additional hours of preschool per child, and more children attending preschool — and staff numbers in these services are estimated to increase by a similar magnitude as a result of the reforms.

Commission modelling suggests that the impact of the reforms is likely to be strongest for staff holding a certificate III qualification. The number of workers with certificate III qualifications is estimated to be around 100 per cent higher than

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would have been the case in the absence of the reforms, to accommodate the increased availability of preschool services, the higher demand for preschool and the implementation of the NQS requirements.

Higher demand for staff and the increase in the average level of qualifications across the ECEC sector are expected to lead to wage increases. Early childhood teacher and diploma-qualified educator wages are expected to be at least 10 per cent higher than they would have been in the absence of the reforms, while certificate III-qualified educator wages are unlikely to change substantially.

### *Variation across jurisdictions*

Current preschool and LDC regulations vary substantially across jurisdictions and between service types. Hence, the change in demand for teachers and educators resulting from the implementation of ECEC reforms will vary by jurisdiction (table 5.4) (see appendix F for further information on current institutional arrangements in the early childhood development sector).

Despite similar staff-to-child ratios to the NQS requirements, and a high rate of preschool enrolment, Western Australia will require more qualified educators and early childhood teachers. The proportion of qualified staff in ECEC services must improve to 100 per cent (from 71 per cent in LDC and 76 per cent in preschool) to meet the NQS. Average preschool attendance in Western Australia is 11 hours per week, 4 hours per week less than the universal access target of 15 hours.

New South Wales, Victoria and Tasmania will require greater changes to meet the COAG targets than Western Australia. In New South Wales, regulated staff-to-child ratios do not comply with NQS requirement for the two to three years age group, while Tasmanian regulated staff-to-child ratios for the birth to two years age group do not comply with the NQS. Victoria plans compliance with the birth to two and two to three years age group standards by 1 January 2012. About 82 per cent of LDC staff and 73 per cent of preschool staff in Victoria are qualified to NQS levels, with these rates somewhat lower in New South Wales and Tasmania.

**Table 5.4 Existing jurisdictional arrangements in preschool and LDC**

<i>Jurisdiction</i>	<i>Staff-to-child ratio — preschool and LDCs compared to NQS requirement<sup>a</sup> (Required by 2012 for children aged birth to 2 years, and 2016 for others)</i>	<i>Qualified staff in LDC services<sup>b</sup> (target 100% by 2014)</i>	<i>Qualified staff in preschool services<sup>b</sup> (target 100% by 2014)</i>	<i>Preschool enrolment<sup>c</sup> (target 95% by 2013) week by 2013)</i>	<i>Preschool hours<sup>d</sup> (target 15 hours per week)</i>
	Children aged	%	%	%	hours
New South Wales	<ul style="list-style-type: none"> <li>• Birth to 2 years – ✓</li> <li>• 2 to 3 years – ✗</li> <li>• Older than 3 years – ✓✓</li> </ul>	72.3	68.9	81.1	12.6
Victoria	<ul style="list-style-type: none"> <li>• Birth to 2 years<sup>e</sup> – ✗</li> <li>• 2 to 3 years<sup>e</sup> – ✗</li> <li>• Older than 3 years – ✗</li> </ul>	81.9	72.8	96.2	14.6
Queensland	<ul style="list-style-type: none"> <li>• Birth to 2 years<sup>f</sup> – ✓</li> <li>• 2 to 3 years – ✗</li> <li>• Older than 3 years – ✗</li> </ul>	84.1	90.0	32.0 <sup>g</sup>	13.7
South Australia	<ul style="list-style-type: none"> <li>• Birth to 2 years – ✗</li> <li>• 2 to 3 years – ✗</li> <li>• Older than 3 years – ✗</li> </ul>	67.0	60.0	88.0	11.1
Western Australia	<ul style="list-style-type: none"> <li>• Birth to 2 years – ✓</li> <li>• 2 to 3 years – ✓</li> <li>• Older than 3 years – ✓✓</li> </ul>	70.5	76.0	95.0	11.0
Tasmania	<ul style="list-style-type: none"> <li>• Birth to 2 years – ✗</li> <li>• 2 to 3 years – ✓</li> <li>• Older than 3 years – ✓✓</li> </ul>	73.3	70.4	96.5	11.8
Northern Territory	<ul style="list-style-type: none"> <li>• Birth to 2 years – ✗</li> <li>• 2 to 3 years – ✓</li> <li>• Older than 3 years – ✓</li> </ul>	58.1	51.7	84.2	12.9
ACT	<ul style="list-style-type: none"> <li>• Birth to 2 years – ✗</li> <li>• 2 to 3 years – ✗</li> <li>• Older than 3 years – ✓</li> </ul>	62.9	65.4	94.0	13.0

<sup>a</sup> ✓ — reflects compliance with NQS ratios based on current state legislation. ✗ — reflects non-compliance with NQS ratios. ✓✓ — reflects ratios that are higher than the NQS under current state legislation. Where NQS ratios are exceeded, these will remain unchanged. <sup>b</sup> Percentage of paid staff (including teachers) with a relevant formal qualification at or above certificate III. The NQS requires all early childhood staff to hold or be actively working towards a certificate III or above by 1 January 2014. <sup>c</sup> Proportion of children enrolled in an early childhood education program. The NPA ECE requires all children to have access to 15 hours of preschool by 1 January 2013. While access to preschool does not necessitate enrolment, DEEWR has set a target of 95 per cent preschool enrolment by 2013 (DEEWR 2011c). <sup>d</sup> Average hours per week of attendance at an early childhood education program. <sup>e</sup> The ratios will comply or be higher than the NQS from 1 January 2012. <sup>f</sup> The existing *Child Care Regulations 2003* in Queensland allow for lower staff-to-child ratios where children are educated and cared for in groups from birth to 3 years or 15 months to 3 years. In the latter case, the existing ratios will continue to apply until 2018. <sup>g</sup> In 2007, Queensland discontinued preschool and introduced the preparatory year (box 5.1)

Sources: COAG (2009h); DEEWR (ndg, ndf); SCRGSP (2011a).

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Queensland, South Australia, the Northern Territory and the ACT need to make substantial progress in order to meet the NQS and implement universal preschool access. South Australia, the Northern Territory and the ACT have qualified staff rates below 68 per cent in both preschool and LDC and will need significantly more qualified teachers and educators to reach the NQS target by 2014. While Queensland has the highest percentage of qualified staff, it has the lowest preschool attendance rate of all jurisdictions, and will therefore need to substantially increase the number of early childhood teachers (box 5.1). South Australia, the Northern Territory and the ACT have the highest rate of preschool staffing waivers, suggesting they are already struggling to meet their existing regulatory standards (chapter 11).

### *Teacher qualification requirements under the COAG ECEC reforms*

When it was signed in 2008, the NPA ECE required all early childhood teachers delivering a preschool program to have a 4-year teaching degree (COAG 2009d). There are about 12 200 degree-qualified early childhood teachers in the preschool and LDC workforce, 70 per cent of whom are 4-year degree-qualified (DEEWR ndf).

#### **Box 5.1      Queensland preschool changes**

Queensland's low preschool participation rate is largely due to a reconfiguration of early childhood schooling in the state in 2007. Prior to this, Queensland students entered year one in the year they turned 6, rather than in the year they turned 7 as is the case in other jurisdictions. In the interests of creating a national uniform starting age, a full-time non-compulsory preparatory year was introduced as the first year of formal schooling in Queensland, with year one becoming the second year of formal schooling as in other jurisdictions.

To implement this change, most existing Queensland government preschool services were converted into preparatory services. As a result, the number of preschool services available in Queensland declined by almost 73 per cent between 2007 and 2008. Additionally, preschool educational programs in Queensland now no longer attract school funding, and so impose a higher cost on parents than the previous arrangement. Queensland preschool enrolments declined substantially in response to these changes.

*Sources:* Dowling and O'Malley (2009); SCRGSP (2011a).

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The proposed Education and Care Services National Regulations, which give effect to the NQS, state that currently employed 3-year qualified teachers will meet the definition of a qualified teacher required under the NQS.

... [an early childhood teacher] employed/registered/accredited/approved as a qualified early childhood teacher (or equivalent) at any time between 1 January 2010 and 1 January 2012; or [that holds] a qualification approved by a jurisdiction as a qualified early childhood teacher (or equivalent) immediately prior to 1 January 2012 will continue to have their qualification recognised under the National Quality Framework. (COAG 2010, p. 86)

In the draft report, the Commission recommended that, both as a matter of consistency and to assist the transition to the NPA ECE, currently employed 3-year-qualified teachers should be permitted to deliver preschool programs. The Commission also suggested that any 3-year qualified teachers returning to or entering the workforce should be permitted to deliver preschool programs provided a plan is in place for them to upgrade their qualification to a 4-year equivalent.

The Commission received a number of submissions in support of this recommendation (Australian Education Union, sub. DR167, KU Children's Services, sub. DR188). Some state and territory governments have already indicated that they will permit currently employed 3-year-qualified teachers to deliver the NPA ECE preschool program. The ACT Government advised it would support 3-year-qualified teachers in the transition, but noted that all early childhood teachers in ACT Government preschools were already 4-year-qualified (sub. DR338). The Victorian Government regards the requirement for 4-year-qualified teachers to deliver the NPA ECE as an 'aspiration', and is focused on:

... achieving the number of qualified early childhood teachers required to meet our obligations under the current reform agenda, including retaining our current three-year trained teachers in the workforce. This is reflected in Victoria's bilateral agreement under the NPA ECE. (sub. 87, p. 8)

Likewise, the New South Wales Government indicated its support for the draft report recommendation, noting that:

The lead time to train the required workforce of four year qualified early childhood teachers extends beyond the five year life of the National Partnership Agreement on Early Childhood Education, and this recommendation recognises that there are greater benefits to children in retaining three year qualified teachers than in losing them from the early childhood education system. (sub. DR326, p. 5)

A subsequent adjustment to the NPA ECE, which in effect recognises 3-year trained teachers, is expected to alleviate these concerns. In October 2011, the Ministerial Council for Education, Early Childhood Development and Youth Affairs, which oversees the implementation of the NPA ECE, agreed to recognise 3-year trained

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early childhood teachers who already hold their qualification or will graduate by 30 June 2013 for the purposes of offering preschool programs. However, the issue of teachers returning to the workforce was not considered by the Ministerial Council (MCEECDYA 2011a).

#### RECOMMENDATION 5.1

***To assist in the transition to the National Partnership Agreement on Early Childhood Education, governments should permit any 3-year-qualified teachers returning to or entering the workforce to deliver the preschool program, provided a plan is in place for them to upgrade their qualification to the equivalent of a 4-year degree.***

### **The effect of COAG reforms on the OC workforce**

Demand for qualified staff in OC is not expected to change substantially at the national level after the introduction of the NQS. OC services, along with a number of other types of ECEC services, are initially excluded from the NQS (chapter 3). In most cases, OC services will continue to be covered by existing jurisdictional regulations. However, where OC is offered out of the same site as an ECEC service subject to the NQS, such as LDC or preschool, the NQS may apply. This is an issue in South Australia, where the major supplier of OC is the Department for Education and Child Development.

Legal advice has been received that the National Law will not distinguish programs that are operating at a site. If one program is in scope then all other programs operating at the site are also in scope, which means the [Department for Education and Child Development] occasional care program will need to be assessed as part of the preschool service [operated from the same site]. (sub. DR337, p. 5)

This issue may potentially affect a small number of OC services in other jurisdictions, but will not affect stand-alone OC services, which make up the majority of the sector.

As a result of the NQS, OC services may find it more difficult to recruit qualified educators due to increased demand from preschool and LDC. Because the majority of OC staff have ECEC qualifications and the supply of qualified educators is limited, additional demand for qualified educators from preschool and LDC may potentially draw qualified staff away from the OC sector.

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*Should occasional care be included in the NQS?*

Including OC in the NQS would impose additional costs on services, through higher staff qualification requirements and higher staff-to-child ratios. While this may offer some benefits in terms of improved service quality, it must be assessed against the cost of developing a more highly qualified workforce.

In response to the draft report, the Commission received a number of submissions suggesting that OC should be included in the NQS. Submissions suggested that children in OC would benefit from access to more qualified staff and higher staff-to-child ratios.

... [OC] may present the only opportunity to influence children's outcomes. This is particularly the case for children experiencing disadvantage whose parents receive income support, are unemployed, or on a disability pension. Occasional care workers, on this basis, should not be excluded from mandatory qualification requirements. (ACT Government, sub. DR338, p. 7)

Early years learning can occur anywhere and at any time. This is one of the key messages in the government reforms and should not be diluted by removing expectations of best practice and high standards of staff and services. (Hume City Council, sub. DR325, p. 4)

... the complex needs of communities accessing occasional child care and their overwhelming preference for the service to support social development of the child ... support the case for occasional care workers to have mandatory qualifications. (Association of Neighbourhood Houses and Learning Centres, sub. DR186, p. 2)

CCC contends that occasional care ... [is an] education setting, influencing the experiences and development of children and therefore require[s] educators with appropriate qualifications. (Community Child Care, sub. DR212, p. 12)

While the Commission is mindful that there may be benefits to higher minimum staff qualifications and staff-to-child ratios for children in OC, recruiting more qualified staff will be costly. This cost may be passed on to parents in the form of higher fees, especially as many OC services are not approved to administer child care subsidies. Increased fees may reduce access to OC, particularly for disadvantaged families who may benefit most from ECEC services. This should be considered before any further mandatory qualification requirements are applied to OC.

OC is already subject to jurisdictional regulations that impose minimum qualification standards and staff-to-child ratios (table 5.5). The New South Wales Government submitted that it currently has 'no plans to impose additional mandatory qualification requirements on occasional care workers' under the current regulatory arrangements for OC services (sub. DR326, p. 6).

**Table 5.5 Current jurisdictional regulations for occasional care**

<i>Jurisdiction</i>	<i>Status</i>	<i>Staff-to-child ratio</i>	<i>Qualified staff-to-child ratio</i>
NSW	Licensed	0–2 years, 1:4 2–3 years, 1:8 3–6 years, 1:10	One qualified staff member <sup>a</sup> A teacher must be employed if there are more than 29 children attending <sup>b</sup>
Vic	Licensed <sup>c</sup>	0–3 years, 1:5 >3 years, 1:15	0–3 years, 1:15 >3 years, 1:30
Qld	Licensed	0–24 months, 1:4 15–36 months, 1:5 25–35 months, 1:6 >35 months, 1:12	All staff must hold a minimum of a certificate III qualification <sup>d</sup>
SA <sup>e</sup>	No licensing required	0–2 years, 1:5 >2 years, 1:8	0–2 years, 1:20 >2 years, 1:35
WA	Licensed	0–2 years, 1:4 2–3 years, 1:5 >3 years, 1:10	0–2 years, 1:12 2–3 years, 1:15 >3 years, 1:30
Tas	Licensed	0–3 years, 1:5 >3 years, 1:10	0–3 years, 1:10 <sup>f, g</sup> >3 years, 1:20
NT	Licensed	0–3 years, 1:5 >3 years, 1:11	0–3 years, 1:10 <sup>h</sup> >3 years, 1:22 <sup>h</sup>
ACT	Licensed	0–3 years, 1:5 >3 years, 1:11	0–3 years, 1:10 >3 years, 1:22

<sup>a</sup> A qualified staff member must hold a Diploma of Child Studies or Children's Services. Services must also employ at least one staff member with appropriate training for children under two whenever children under two are present in the service. <sup>b</sup> Services must employ one qualified teaching staff member where there are 30 children in attendance. There must be two teaching staff employed where there are 40–59 children, 3 teaching staff employed for 60–79 children and 4 teaching staff employed for 80–90 children. <sup>c</sup> Services caring for fewer than four children under the age of 13 do not require licensing. <sup>d</sup> Group leaders must hold a diploma. Service directors must have a 3-year vocational or tertiary qualification. <sup>e</sup> The South Australian Department for Education and Child Development manages the majority of occasional care services in the state. <sup>f</sup> The ratio is one qualified staff member to 15 children for combinations of children between birth and 5 years, with no more than five children younger than 3. <sup>g</sup> Approved qualifications include a minimum of a two-year full-time or equivalent accredited post-secondary education or tertiary qualification in early childhood. <sup>h</sup> At least two staff to be in attendance at all times, one of whom must be qualified at diploma level or above.

Source: COAG (2009h).

The decision to exempt OC from the NQS will be reviewed in 2014 (COAG 2009h), but only after extensive consultation with the OC sector (DEEWR, sub. DR301). The Commission considers that the review process should include a full assessment of the costs and benefits of including OC in the NQS. This assessment would have regard for, among other matters, the potential benefits of higher qualification requirements and staff-to-child ratios in OC. Consideration would also be given to whether these requirements would increase the cost of providing OC services and how that might affect access to OC, particularly for low-income families. Regard should also be given for the effect that increased

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demand for qualified teachers and educators in LDC and preschool has on OC services.

RECOMMENDATION 5.2

*A review of the decision to exempt occasional care from the National Quality Framework is scheduled for 2014. This review should involve a careful consideration of the full costs and benefits of including occasional care in the National Quality Framework, particularly the impacts of any fee increases for parents, and resulting impact on participation by children from low-income families.*

### **5.3 Supply of early childhood teachers**

Teachers qualified to work in ECEC typically have the option to work in LDC, preschool or primary school settings. Early childhood teachers are usually qualified to teach children aged from birth to 8 or 12 years of age, depending on the particular course undertaken (Southern Cross University and Early Childhood Australia (NSW), North Coast Branch, sub. 16). Where qualified early childhood teachers choose to work is influenced by the relative attractiveness of LDC, preschool and primary school teaching positions.

#### **Wages and conditions for early childhood teachers**

##### *Award modernisation*

The modern award is indicative of the differences between pay and conditions for LDC teachers and other early childhood teachers. All early childhood education teachers, regardless of work setting, are covered by the Educational Services (Teachers) Award 2010 (table 5.6). This modern award provides the ‘safety net’ minimum salary that can be paid to early childhood teachers in LDC, preschool and school services and replaces previous state awards covering early childhood teachers.<sup>2</sup> However, many early childhood teachers have their wages and conditions set through collectively negotiated agreements with their employer, with wages often set above the modern award rate.

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<sup>2</sup> The Western Australian Government has chosen not to join the national workplace relations system, so sole traders, partnerships, other unincorporated entities and non-trading corporations in Western Australia remain in the state award system (FWA 2010).

**Table 5.6 Modern award wages and conditions for 4-year qualified teachers**

	<i>Teacher working in a school or related service<sup>a</sup></i>	<i>Teacher working in an LDC centre</i>
Salary range per year	\$42 971–\$56 715	\$44 690–\$59 326
Allowances	1.6–8.0% of the standard salary for teachers in leadership positions	11.5–17.3% of the standard salary for teachers that are appointed as centre directors
Working days and hours	205 working days per year, with variable hours per day	230 working days per year, up to 10 hours per day. Rostering system allows for rostered days off if longer hours are worked
Annual leave	10–12 weeks per year, depending on jurisdiction	4 weeks per year

<sup>a</sup> Includes primary school teachers and preschool teachers working in a school setting.

Source: Educational Services (Teachers) Award 2010.

The modern award salary for LDC teachers is set above that for school teachers. Teachers employed under this award in LDCs work 12 per cent more days each year, for which the award provides compensation in the form of 4 per cent additional salary. The award allows for LDC teachers to work shifts of up to 10 hours duration, whereas a typical mandated workday for a teacher employed in the school system would be the standard 7 hours and 21 minutes.

### *Differences in wages between LDC, preschool and primary schools*

In many cases, the pay and conditions for teachers in LDC have been below those offered to preschool and primary school teachers. These differences in pay and conditions are considered to be a result of the historical separation of early childhood ‘care’ and ‘education’ (Elliott 2006).

Early childhood teachers employed in the school system are paid wages substantially higher than the modern award minimum (Dowling and O’Malley 2009). In Western Australia, South Australia, Tasmania, the Northern Territory and the ACT, most preschool services are provided by government or non-government schools (table 5.7). Preschool teachers in these states are employed within the school system and receive the same wages as primary school teachers (table 5.8).

**Table 5.7 Preschool services by service provider type, 2010<sup>a</sup>**

<i>Provider type</i>	<i>NSW</i>	<i>Vic</i>	<i>Qld</i>	<i>SA</i>	<i>WA</i>	<i>Tas</i>	<i>NT</i>	<i>ACT</i>
	%	%	%	%	%	%	%	%
Community-managed	70.2	73.3	90.2	4.5	na	–	na	na
Privately-managed	20.5	1.8	0.5	na	na	–	na	na
Non-government schools	na	6.8	1.3	na	na	27.4	3.3	13.0
Government-managed	9.3	18.1 <sup>b</sup>	8.0	95.5	100.0	72.6	96.7	87.0

<sup>a</sup> Includes all Australian, state and territory government supported services. <sup>b</sup> All government-managed preschools in Victoria are managed by local government. **na** Not available. – Nil or rounded to zero.

Source: SCRGSP (2011a).

**Table 5.8 Annual wage of 4-year-qualified early childhood teachers employed in the state school system<sup>a</sup>**

	<i>Graduate-level wage</i>	<i>Highest level wage<sup>b</sup></i>
	\$	\$
NSW	56 829	84 759
Vic	55 459	81 806
Qld	56 900	81 372
SA	55 665	79 816
WA	56 112	84 863
Tas	56 436	82 533
NT	58 457	83 065
ACT	55 327	78 837

<sup>a</sup> Annual salary as at 1 July 2011. <sup>b</sup> Based on years of service only. Does not include merit-based positions.

Sources: DECS (2011a); DEECD (2009b); DET ACT (2009); DET NSW (nda); DET NT (2010b); DET Queensland (2010); DoE Tasmania (2011); DoE Western Australia (2011a).

Despite being employed outside the school system, wages for Victorian and Queensland preschool teachers are similar to those paid to school teachers. Preschool teachers in Victorian community-managed preschools are employed under the Victorian Early Childhood Teachers and Assistants Agreement 2009 (VECTAA 2009) with similar pay and conditions to Victorian state primary school teachers. Preschool teachers employed by local governments in Victoria may be employed under an enterprise bargaining agreement, which is negotiated using VECTAA 2009 as the wage benchmark, or under the Local Government Early Childhood Education Employees Agreement 2009, under pay and conditions aligning with VECTAA 2009 (AEU Victoria 2011).

Likewise, Queensland preschool teachers are paid similarly to their school-based colleagues (C&K Association, sub. 52; Independent Education Union of Australia, sub. 50).

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However, almost all LDC teachers, and most New South Wales preschool teachers are employed on wages and conditions that do not compare favourably with those offered in the school system.<sup>3</sup> A number of submissions noted the disparity in wages and conditions.

The significant disparity in wages and salaries between staff who work in Long Day Care (LDC) and staff who work in preschools [in South Australia] is considered a major cause of attrition rates. Many workers in child care hold the same degree qualification as preschool teachers, but without their qualification being recognised and without receipt of appropriate remuneration. (Gowrie SA, sub. 40, p. 2)

In NSW early childhood teachers working in preschools in Government schools are paid at a much higher level than those in community based preschools. (NIFTeY Australia, sub. 37, p. 3)

This makes the recruitment and retention of qualified early childhood teachers difficult for LDCs across the country, and for community- and privately-managed New South Wales preschools.

The better wages and conditions for primary school teachers attract [ECEC teaching] graduates [to primary school teaching] either immediately on graduation or after a short period in the early [childhood] education and care sector. (NSW Children's Services Forum, sub. 23, p. 7)

### *Differences in conditions between LDC, preschool and primary schools*

In addition to higher salary, early childhood teachers employed in the school system also enjoy better working conditions. Teachers employed in the school system receive, among other benefits, more holidays, more preparation time, and shorter working days than specified by the Educational Services (Teachers) Award. For instance, full-time preschool teachers in Western Australian public schools are entitled to 5 hours and 20 minutes non-contact time each week (DoE Western Australia 2011b), while the Educational Services (Teachers) Award only specifies that teachers responsible for programming and planning are entitled to a minimum of two hours per week non-contact time.

In cases where wages offered to early childhood teachers are similar to those in the school sector, teachers still tend to prefer school positions. In Victoria and Queensland, where preschool teachers are paid a similar wage to their school-based counterparts, it was felt that school teachers enjoyed superior conditions.

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<sup>3</sup> A minority of preschool teachers in New South Wales are employed in preschools managed by the Department of Education and Training or preschools managed by independent schools. These teachers are paid at the same rate as teachers employed in the school sector (NSW/ACT Independent Education Union 2010).

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C&K Association submitted that Queensland state school teachers have more non-contact hours and other superior conditions compared with Queensland preschool teachers (sub. 52). Kindergarten Parents Victoria noted that:

[Early childhood teaching] students report electing to enter schools rather than early childhood services as they believe the positions are of a higher status, they are provided with genuine professional development opportunities, the support of peers, career opportunities and collegiality. (sub. 72, p. 9)

This also seems to be the case in New South Wales, where most preschool teachers are paid at a similar rate to LDC teachers. ECEC service provider SDN Children's Services noted that LDC teachers in New South Wales work longer hours and have fewer holidays than preschool teachers (sub. 31). Considering that preschool teachers might have up to 12 weeks of holidays per year, compared to 4 to 6 weeks for LDC teachers, the differences in working conditions between preschool and LDC might be substantial, even when the wages are similar. Southern Cross University and Early Childhood Australia (NSW), North Coast Branch reported that:

There has been a consistent interest in obtaining a position within a preschool setting by both teachers and child care workers due to the shorter hours of work, and [longer] holiday periods. There is also a reduction in the attrition rate of staff within such settings for the same reason. (sub. 16, p. 3)

Differences in pay and conditions are recognised by early childhood teachers entering the workforce and influence their choice of employment (Independent Education Union of Australia, sub. DR163). A survey of students enrolled in university early childhood teaching courses found that less than 5 per cent of students had a preference for working in LDC. About half the survey respondents indicated that they would prefer not to work in LDC, with many citing poor pay and conditions as a primary factor affecting their decision (Thorpe et al. 2011). The Institute of Early Childhood, Macquarie University submitted that due to the differences in pay and conditions, it was 'unsurprising that many pre-service teachers actively choose to not work in the prior to school sector' (sub. DR158, p. 5).

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## Recruitment of additional teachers to long day care

LDC services have persistently reported difficulty recruiting early childhood teachers (see for example, DEEWR 2011r; O'Malley 2006; Warrilow and Fisher 2003). This suggests that wages and conditions offered by LDCs might not be sufficient to recruit the number of teachers needed.

For early childhood teachers the labour market varies between the long day care and education sectors. Employers in the school system generally received a good response to their advertisements for early childhood teachers and vacancies were easily filled. Employers in the long day care sector experienced significant difficulty recruiting and generally attracted small numbers of suitable applicants. Contacts suggest the differences reflect more attractive leave, salary advancement and career opportunities on offer in the education sector. (DEEWR 2011r, p. 33)

Currently, New South Wales is the only jurisdiction that requires LDC services to employ a qualified early childhood teacher, and only when more than 29 children are in attendance. However, many LDC services in the state have been unable to meet this requirement. Purcal and Fisher (2007) found that overall, 7.9 per cent of ECEC services in New South Wales were granted waivers because they were unable to meet the state regulatory requirement to employ an early childhood teacher (see chapter 3 for further discussion of waivers). The Independent Education Union of Australia noted that:

Pay inequity is one of the major contributing factors to the labour shortage in the early childhood education and care sector. Staff will not enter into, or remain in, services where they are undervalued and underpaid compared to other services. (sub. 50, p. 10)

The NQS requires early childhood teachers to be employed in all LDC services across the country. Kindergarten Parents Victoria warned that without an increase in the supply of teachers it would be impossible to achieve the NQS requirements and deliver the NPA ECE (sub. 72).

To recruit more early childhood teachers, services will have to pay the higher market wage, which is largely dictated by wages in the school sector (box 5.2). The wage disparity between early childhood teaching and primary school teaching positions might also make it difficult to recruit high quality teachers to ECEC (Early et al. 2007), which runs contrary to the goal of the NQS to improve ECEC quality.

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### **Box 5.2      The market for early childhood teachers**

The market wage for early childhood teachers is largely determined by the wages these teachers are offered in schools. In most jurisdictions, where preschool services are funded and/or operated by government, preschools are able to match this wage. However, long day care (LDC) services nationally and community-operated preschool services in New South Wales are usually not able to offer an equivalent wage. As a result, these services face difficulty recruiting teachers. This is despite the supply of qualified teachers exceeding the quantity demanded by schools. The Australian Government found that:

[Teacher] supplies to the education sector [overall] are adequate. There are few difficulties recruiting primary school teachers and a more than adequate supply of these professionals is reported across both government and independent school sectors. (DEEWR 2011r, p. 32)

Given the gap between wages offered by schools and those offered by LDCs, teachers are often reluctant to accept LDC teaching positions. The Tasmanian Government commented that:

Due to there being a limited number of kindergarten positions [in the Tasmanian school system] available each year some recently qualified ECD teachers may be ‘forced’ into the child care sector to gain some practical experience in the industry as they wait for a position in a school to open up. (sub. 77, p. 4)

The difficulty of recruiting early childhood teachers to LDC may be exacerbated to some extent by the COAG ECEC reforms. The National Quality Standard (NQS) will require the employment of degree-qualified early childhood teachers in all LDCs (unless the service is granted a permanent waiver from this requirement). As such, it is difficult to foresee how LDC services that cannot afford to recruit a qualified early childhood teacher at current wage levels will be able to afford to recruit a teacher as demand for teachers increases. At the same time, the number of teaching positions in preschools, paid at the school wage level, will increase due to the universal access commitments in the National Partnership Agreement on Early Childhood Education and it is likely that most early childhood teaching graduates will have a preference for preschool over LDC teaching.

However, LDC services will find it difficult to pay early childhood teachers higher wages. In LDC, staff wages are largely funded out of fee revenue, in contrast to most schools, where governments provide a significantly greater proportion of funding. Employing early childhood teachers imposes additional costs on LDC services, which must be passed on to parents in the form of higher fees. While fees are partly subsidised by the Australian Government, at least half the increase will be funded by parents (chapter 3). The higher the salary paid to the teacher, the higher the associated fee increase must be. Because parents have a limited willingness to pay for service quality improvements (box 5.3), higher fees might result in a decline in the number of children attending LDC.

### Box 5.3 Willingness to pay

The willingness of parents to pay for early childhood education and care (ECEC) services is determined by the net benefit that parents derive from using those services. One benefit of ECEC is that it may allow parents to work when they otherwise would not be able to, subject to the cost of ECEC.

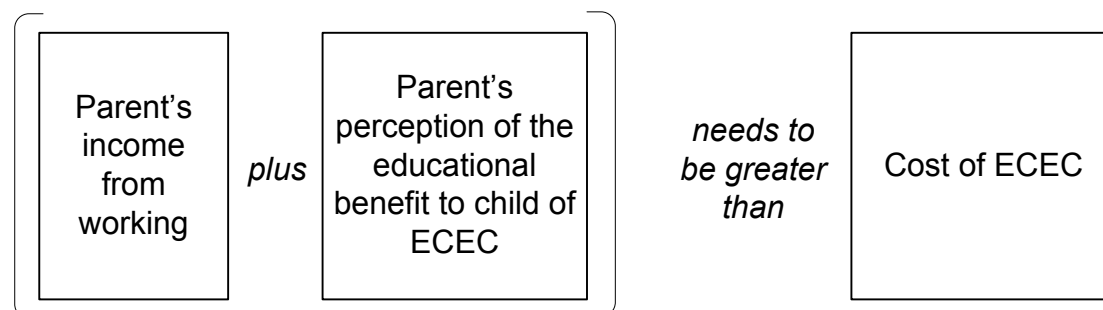
Affordability of a service will be influential on the female labour force ... wages must be equal to or exceed the costs of an ECEC service or it is a financial burden to return to work (rather than financial gain). (Gr8 START, sub. 54, p. 3)

Because women are usually the primary caregivers, the availability of affordable ECEC services is closely linked to the female labour force participation rate (Baxter 2004).

The other main benefit that parents receive is the perceived educational benefit of ECEC for their child. The Benevolent Society noted that:

Child care has historically been seen as a labour force issue, enabling women to work, rather than as an educational and developmental necessity for children. However, with the increased awareness among parents and the wider community of the importance of the early years of a child's life and the benefits of being 'school ready', parents are now utilising ECEC services to positively promote their child's development. (sub. 49, p. 11)

However, parents will only demand ECEC services if the sum of the income earned while their child is in the ECEC service and the educational benefit of the ECEC service to the child as perceived by the parents are greater than the cost of the ECEC service to the parents:



Parents' valuation of the educational quality of the ECEC service varies because ECEC quality measures are typically subjective (Da Silva and Wise 2006). In some cases, parents may lack sufficient information for objective valuation (Brennan 2007). The value ascribed to the educational component of ECEC services will therefore tend to differ between parents.

By increasing qualification requirements and staff-to-child ratios, the National Quality Standard (NQS) will increase the cost of ECEC. As a consequence, the net benefit of using ECEC services will no longer be positive for some parents, and demand will decrease. Research results differ on the extent of the decline expected. For instance,

(Continued next page)

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**Box 5.3** (Continued)

Gong, Breunig and King (2010) found that a 1 per cent increase in ECEC fees leads to a 0.3 per cent reduction in the employment rate of partnered mothers with young children and a 0.7 per cent decline in the number of hours worked. However, increases in ECEC fees are likely to have a more pronounced effect for low-income families and single parents (Doiron and Kalb 2005).

If parents cannot afford to pay the costs of ECEC, their workforce participation will be impeded (Brennan, Blaxland and Tannous 2009). Australian Community Children's Services noted that:

When child care fees increase a decision is made in some families to withdraw from the workforce in order to care for their children resulting in the loss of skills and labour from the economy and a loss of career engagement for the parents. (sub. 64, p. 5)

The ability of ECEC services to pass on increased labour costs to parents is likely to be greater in areas of higher income, as high-income parents are less sensitive to changes in fees. Services in low-income areas have less capacity to pass on costs to parents, as low-income parents are much more sensitive to possible fee increases. As a result, ECEC services in lower income areas are less likely to be able to recruit additional staff to raise staff-to-child ratios to the NQS requirement (Community Child Care Co-operative, sub. DR183).

The implementation of the [National Quality] framework — in particular, the increase in the ratio of staff to children in ECEC centres and changes to qualifications required of staff — means that childcare costs will increase. While the Brotherhood fully supports higher quality standards in the industry we also want to ensure that low-income families are not excluded due to increased cost. (Brotherhood of St Laurence, sub. 32, pp. 3–4)

Even though there is some means-tested support available, it remains the case that lower-income families will be the first to abandon the ECD sector as a result of rising costs. (Australian Childcare Centres Association, sub. DR354, p. 4)

Fee increases to parents as a result of the implementation of the NQS will reduce demand for ECEC services. The reduction in demand will be determined by the extent of the fee increase and the value parents place on any increase in service quality.

In many cases, service providers are reluctant to increase fees to a level that would enable them to cover the cost of employing an early childhood teacher, while regulators are averse to closing services unable to meet regulatory staffing requirements, preferring instead to grant service waivers (Purcal and Fisher 2007).

Without wage rises for early childhood teachers, it will be difficult to substantially increase supply (Australian Catholic University, sub. 24). The reforms are likely to cause workforce shortages, and this may put pressure on wages for teachers (MCEECDYA 2011b). Additionally, mechanisms for fast-tracking degree-qualified individuals into the ECEC teaching workforce, such as the United Kingdom's Early Years Professional status may need to be considered (see appendix D for further

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discussion of this policy and early childhood development systems in other countries more broadly).

While the Australian Government currently offers assistance to qualified early childhood teachers in paying higher education fees, this is unlikely to encourage many additional teachers to apply for LDC positions. In 2010-11, the Australian Government offered all qualified teachers (including early childhood teachers) a reduction of up to \$1,588.11 in the HECS-HELP debt incurred while they were studying for their degree (ATO 2011a). Qualified early childhood teachers employed in ECEC are eligible for a slightly higher reduction of \$1,693.99.<sup>4</sup> The benefit is paid equally to both LDC and preschool teachers, and there is only a difference of \$105.88 between the benefit paid to qualified teachers in preschool and LDC and that offered to teachers more broadly. Therefore, the Commission considers that this policy is unlikely to increase the number of applicants for LDC teaching positions.

### *Responses to the draft report*

The Commission received submissions from over 120 early childhood teachers concerned about the wage disparity between teachers in LDC, preschools and primary schools in New South Wales.

As a teacher in a NSW early childhood education and care service, I was happy to read that the Productivity Commission has recognised the need for long day care centres and preschools in NSW to offer salaries which have parity with primary teachers in the schools sector. (NSW early childhood teachers, sub. DR199, p. 1)

[Pay parity] will help to retain teachers like myself who are passionate about Early Childhood Education but struggle to make ends meet on the less attractive pay rates. (Kim Smith, sub. DR207, p. 1)

The difference in the level of pay has been a huge barrier in our service to attract Early Childhood teachers for both casual and permanent positions ... Early Childhood Teachers need recognition of the professionalism they bring to the sector and this should also be reflected in pay parity. (Ann-Maree Fisher, sub. DR209, p. 1)

This is especially important for small rural communities, who value their early childhood service, but already find it difficult to attract degree trained early childhood teachers. If pay parity is not achieved, early childhood graduates will choose to work in the school sector, in larger towns and cities. (Kathy Toirkens, sub. DR280, p. 1)

Most submissions on early childhood teacher wages suggested that the wage disparity could only be resolved through additional government funding,

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<sup>4</sup> In addition, a HECS-HELP benefit of up to \$1,693.99 is available to early childhood teachers who work in designated (mainly rural and remote) areas (ATO nda) (see chapter 9).

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particularly in the form of wage subsidies. The Independent Education Union of Australia submitted that:

It is ... necessary for State and Federal Governments to make a commitment to significantly increase the amount of funding not only to cover the early childhood education and care centres costs in implementing the National Quality Reforms but also to guarantee that teaching staff receive parity of salaries and conditions with those of their colleagues in schools. (sub. DR163, p. 3)

Some submissions expressed concern that access to preschool and LDC may decline if parents must share the cost of higher teacher wages. The Tasmanian Ministerial Child Care Advisory Council stated that it will be difficult for many parents to pay the higher fees resulting from the implementation of the NQS (sub. DR173). The Community Child Care Co-operative observed that ‘we could end up with having a two tiered ECEC system, with neighbourhoods in lower socio economic areas having less well staffed services’ (sub. DR183, p. 7).

However, DEEWR submitted that the *Fair Work Act 2009 (Cwlth)* provided an appropriate mechanism to deal with wage disparity:

DEEWR considers that the bargaining framework under the Fair Work Act 2009 provides an appropriate avenue to address these issues [of pay and conditions]. Under the Fair Work Act, employees and employers can bargain together in good faith for an enterprise agreement tailored to meet the needs of each workplace. (sub. DR301, p. 10)

The NQS and the NPA ECE will place upward pressure on salaries and conditions for early childhood teachers. This is expected to occur in both preschools and LDCs and across jurisdictions given the limited supply of qualified early childhood teachers. The Commission considers that it is desirable to retain some flexibility in the setting of salary and conditions for teachers in order to accommodate the diverse requirements of different LDC and preschool services.

FINDING 5.1

*In order to attract and retain a sufficient number of early childhood teachers to achieve the reforms set out in the National Quality Standard and the National Partnership Agreement on Early Childhood Education, salary and conditions offered by long day care centres will need to be competitive with those offered to primary teachers in the school sector. Community- and privately-managed preschools in New South Wales will also need to offer similarly competitive salaries and conditions for their teachers, which is already the case in other jurisdictions.*

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## 5.4 Supply of qualified educators

The recruitment and retention of qualified educators in preschool and LDC is an ongoing problem, though to a lesser extent than it is in the case of teachers (GoodStart Childcare, sub. 34). For example, the Government of South Australia reported that:

In [South Australia], the dominant issue in the child care workforce is retention of workers. A significant number of [waivers] approved by the Department of Education and Children's Services Licensing and Standards Unit suggests that employers are having difficulty recruiting and retaining qualified workers with the necessary Diploma qualifications. Employers are faced with a high turnover of workers with entry level qualifications. (sub. 66, p. 6)

The attractiveness of preschool, LDC and OC work for persons with certificate III and diploma qualifications (or those intending to gain qualifications) depends on the wages and conditions available to them in preschool, LDC and OC relative to the wages and conditions of alternative employment. The Victorian Government noted that:

Another significant influence on ECD workforce supply is the attractiveness of ECD careers, both in themselves, and in comparison to other sectors with which ECD must compete for staff. Anecdotal evidence from early childhood stakeholders and research commissioned by [the Department of Education and Early Childhood Development] indicates that wages and conditions are an important consideration for potential entrants to the early childhood sector when making career decisions. (sub. 87, p. 13)

### Supply of service leaders

While leadership roles in preschool services are usually filled by qualified teachers, in LDC and OC these roles are more commonly performed by staff with advanced diploma and diploma qualifications (table 5.9). Governments have made a commitment to remove course fees for TAFE Diploma of Children's Services courses (COAG 2009g). This will increase the supply of individuals with qualifications for leadership roles. However, it should be noted that even fully removing course fees can only partly reduce study costs as there will still be an opportunity cost, in terms of time taken to complete the course, to individuals undertaking study.

**Table 5.9 Educational attainment of service leaders in preschool and long day care, 2010<sup>a</sup>**

	<i>Preschool principal, preschool service director, or teacher-in-charge</i>	<i>LDC service director</i>
	%	%
Bachelor, 4 years	52.7	20.3
Bachelor, 3 years	16.0	13.5
Advanced diploma or diploma	14.7	56.8
Certificate III or IV	14.7	2.5
Less than certificate III	0.5	1.1
No ECEC qualification	0.4	5.2
Attainment not known	1.0	0.6

<sup>a</sup> Highest level of attained qualification in an ECEC related field. Does not include qualifications that preschool and LDC staff may be currently studying towards but have not yet attained.

Source: Productivity Commission estimates based on unpublished DEEWR data from the 2010 National ECEC Workforce Census.

## Supply of educators

In the short term, increased educator qualification requirements might reduce the supply of preschool and LDC educators by increasing the retirement rate. Presently unqualified preschool and LDC educators in all jurisdictions will be required to commence studying a Certificate III in Children's Services by 1 January 2014. This might result in the loss of some experienced staff by bringing forward their decision to retire because the costs of study are high relative to the wages they will earn over the remainder of their working career.

... many services are concerned that the perceived rate of significant change over the next few years may see an increased rate of retirement from long-standing, experienced staff. The increased qualification requirements, in particular, may have a negative impact as older staff ... do not wish, or are not in a position, to undertake further study. (NSW Children's Services Forum, sub. 23, p. 9)

... the qualification reforms risk driving experienced staff who do not possess formal qualification out of the sector by 2014. (Australian Childcare Centres Association, sub. DR354, p. 8)

Transitional arrangements will permit small numbers of unqualified, experienced staff to remain in ECEC services beyond 2014. The draft NQS regulations allow unqualified staff with at least 15 years of experience in ECEC to continue working without gaining a qualification until 2016 (ACECQA 2011). In 2010, about 15 per cent of unqualified staff had over a decade of experience, while nearly 65 per cent had been in the sector for less than three years (DEEWR ndn).

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As OC will not initially be included under the NQS, there is some potential that experienced but unqualified ECEC workers currently employed in preschool and LDC may move into the OC workforce. This may limit the loss of workers from the ECEC workforce, although the capacity for this to occur depends on a variety of factors. These include jurisdictional restrictions on OC services employing unqualified workers and the demand from OC services for unqualified workers.

The Community Child Care Co-operative suggested that, for preschool and LDC educators leaving the ECEC sector, alternative employment options might include retail, aged care and other types of employment in the broader health sector.

Children's services report a high turnover of untrained staff members who can earn higher wages in untrained jobs in areas such as retail, or even in other care areas such as aged care, and the health sector without the responsibility of a child carer's job. (sub. 53, p. 9)

Gowrie Victoria stated that higher wages in the retail industry have affected student enrolment in Children's Services courses.

Potential students have chosen not to proceed with an early childhood course because they receive a higher level of pay from working in retail. (sub. 41, p. 7)

### *Award wages for educators*

The Children's Services Modern Award 2010 covers persons with certificate III or diploma qualifications working in preschool, LDC and OC settings.<sup>5</sup> The award has been in place since 1 January 2010 and is intended to provide a 'safety net' minimum wage. Transition arrangements are in place to migrate states (such as New South Wales) where the state award minimum wages were higher than the modern award minimum, to the modern award, by 1 July 2014. These arrangements include the condition that no current employee receives a reduction in their take-home pay as a result of the change.

The modern award minimum wage for qualified educators working in preschool, LDC and OC is comparable to those in other human services areas (table 5.10). Because the NQS requires all preschool and LDC educators to either have, or be training towards a qualification, the entry level wage effectively becomes a training wage. The Children's Services Award entry level wage is \$15.86 per hour. This is slightly lower than the entry level award wage in other human services industries such as aged care and social services. However, the award wages for educators with

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<sup>5</sup> The Western Australian Government has chosen not to join the national workplace relations system, so sole traders, partnerships, other unincorporated entities and non-trading corporations in Western Australia remain in the state award system (FWA 2010).

certificate III and diploma qualifications are comparable with those available across the human services sector, with wages equivalent to \$686 and \$808 respectively for a 38 hour full-time work week.

**Table 5.10 Modern award minimum wage**

	<i>Children's Services</i>	<i>Aged Care</i>	<i>Social and community services</i>	<i>Home carer</i>
	\$/hour	\$/hour	\$/hour	\$/hour
No formal qualification	15.86	16.49	16.89	16.69
Certificate III	18.06	18.06	18.05	18.05
Diploma	21.27	20.03	19.70	21.12

*Sources:* Aged Care Award 2010; Children's Services Award 2010; Social, Community, Home Care and Disability Services Industry Award 2010.

#### *Average wages for educators*

Award wages are common among ECEC educators (chapter 4). United Voice, the union for children's services educators, submitted that award wages dominate as the actual rates paid by employers in the ECEC sector (sub. 55). However, a number of service operators reported that they pay above award wages to staff (Community Child Care, sub. 63). With the exception of preschool services operating in the school system, wages paid to educators in preschools and LDC services are likely to be at the award level, or marginally above.

Educators employed in state government-managed preschools generally receive higher wages than educators employed elsewhere. For instance, in Western Australia, the Education Assistants (Government) General Agreement 2010 sets the minimum hourly wage for an educator employed as an education assistant in government-managed preschool at \$19.75. Similarly, the minimum wage for an individual employed as a teacher aide in a Tasmanian government-managed preschool is \$20.51 per hour (DoE Tasmania 2011). Wages for educators employed by local governments may also be above award (Australian Services Union, sub. DR213).

Comparing the average hourly earnings of education aides (including preschool educators) to LDC and OC educators indicates the extent of the wage division. In 2010, the average hourly ordinary time earnings for LDC and OC educators was 18 per cent lower than the average hourly earnings for education aides, including preschool educators (table 5.11). Wages for education aides compared favourably with the average hourly earnings for personal carers and assistants.

**Table 5.11 Average ordinary time hourly earnings of non-managerial staff with a certificate II or III in selected occupations, 2010<sup>a</sup>**

<i>Occupation</i>	<i>Average earnings</i>
	\$/hour
Child carers (including LDC and OC educators)	20.10
Education aides (including preschool educators)	24.50
Personal carers and assistants	23.60

<sup>a</sup> Occupation as described in the Australian and New Zealand Standard Classification of Occupations and may include staff without formal qualifications but with comparable experience of at least one year.

Source: ABS (2010d).

### *Responses to the draft report*

The Commission received a number of submissions in response to the draft report noting the low wages paid to educators in preschool, LDC and OC.

Many ECEC professionals are satisfied with their jobs, seeing value in their work as educators and taking pride in their strong relationships with children, parents and colleagues. Yet, educators agree that a stable and lasting career in the sector is made difficult by the low pay and lack of status and recognition in the broader community. (United Voice, sub. DR166, p. 24)

The paperwork, the conditions, the fact we are working in the critical years – the remuneration is inadequate. You can earn more by working in a shop. (Early Childhood Australia (NSW Branch), sub. DR190, p. 10)

Study participants generally suggested that it would be difficult to increase educator wages without additional government support. United Voice suggested that parents should not be expected to fund the cost of wage increases, but that:

To achieve the wage increases for the ECEC workforce above the safety net of the award, supplementary government funding needs to be delivered through an innovative industrial instrument. An effective solution ... should ensure that professional wages can be achieved in a manner which allows for moving beyond ‘safety net’ principles within the modern award to enable professional wages and conditions while also allowing for greater flexibility in the work arrangements that are negotiated between the employer and workers. (sub. DR166, p. 15)

The Commission considers that preschools and LDC services will have to pay higher wages to recruit diploma-qualified educators. Moreover, higher wages will encourage high quality educators to enter, and remain in, the LDC and preschool workforce. For a discussion on government support for educators’ wages, see chapter 11.

*In order to attract and retain a sufficient number of educators with diploma qualifications to achieve the reforms set out in the National Quality Standard and the National Partnership Agreement on Early Childhood Education, wages for many educators will need to increase, particularly in long day care centres and community- and privately-managed preschools.*

## **5.5 Other issues in preschool, long day care and occasional care labour supply**

### **Status and recognition**

The status and recognition of the preschool, LDC and OC workforce in the community may also have an effect on labour supply. There is a view in the industry that preschool, LDC and OC work is considered low status and this makes recruiting staff more difficult (Griffith University, sub. 30). Australian Community Children's Services submitted that:

... a key underlying issue facing the early childhood education and care sector ... is low status. The low standing of the early childhood education and care workforce impacts on the sector's ability to recruit and retain staff. (sub. 64, p. 1)

Mission Australia considered that the status of the preschool and LDC workforce is unlikely to improve unless their pay increases (sub. 12). In the national ECEC workforce census, only 52 per cent of LDC staff and 48 per cent of preschool staff agreed with the statement 'my job is important to me because it has high status and I receive positive recognition in the community', while 20 per cent of preschool and LDC staff disagreed (DEEWR ndf).

Some submissions reported that the status of preschool work was considered to be higher than that of LDC, particularly by qualified early childhood teachers (Lisa Webster, sub. 4). Kindergarten Parents Victoria noted that:

Many [early childhood education] practitioners have reported their decisions to work in specific early childhood settings have been impacted by pay, conditions and status. For example, a high proportion of ... teachers have indicated that they perceive a higher status working in a standalone sessional kindergarten, rather than working in a long day care service providing a funded kindergarten program. (sub. 72, p. 8)

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## Training and professional development

Preschool, LDC and OC staff might also face difficulties accessing professional development opportunities and this might influence decisions to enter or remain in the ECEC workforce. This is particularly an issue for LDC staff and staff in smaller, stand-alone preschool services who have less access to peer-to-peer discussion. Gr8 START noted that:

[Staff in] ECEC services have continuously busy working conditions due to the nature of work however this means little to no time for professional development opportunities unless undertaken outside of work hours and usually at the cost to the employee. This presents problems in up-skilling the workforce on current and emerging ... regulations ... and maintaining good practice within the workplace. (sub. 54, p. 2)

LDC services and stand-alone preschool services sometimes have difficulty supporting staff professional development due to the cost to the service in getting workers to fill-in for staff who are training, a practice known as backfilling. UnitingCare Children, Young People and Families stated that ‘the major barriers to ECEC staff accessing training and development programs are the costs of backfilling positions and the difficulty of finding suitable staff to stand in for staff attending training’ (sub. 62, p. 18). Chapter 10 contains further discussion of ECEC workforce training.

Staff in community-managed services might face additional challenges accessing professional development (chapters 3 and 10). In such services the employer (often parent volunteers) does not generally have early childhood educational qualifications and might not be well placed to provide mentoring and assist with career development. This contrasts with the school sector where services are administered by professionals with educational qualifications (Kindergarten Parents Victoria, sub. 72).

Services that are able to offer staff professional development opportunities have reported more success in the recruitment and retention of staff. The Benevolent Society, which provides a range of ECEC services in New South Wales and Queensland, reported that:

In ... our Early Years Centre in Queensland, retention of staff has not been difficult. This is believed to be due to a number of factors including: increased opportunities arising from the integrated nature of the service for professional development, the ability to be creative and innovative in the work environment, as well as a family friendly work environment with maternity leave, flexible work hours and part time employment, which are important in a predominately female workforce. All these factors contribute to staff feeling valued. (sub. 49, p. 16)

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## Variation within jurisdictions

Within jurisdictions, qualified early childhood teachers and educators are likely to be more difficult to recruit in rural, remote and disadvantaged areas, and in Indigenous communities (DEEWR, sub. 86). The NSW Children's Services Forum reported that:

Many early education and care services report difficulties in finding suitable qualified staff in NSW. In particular, early childhood university qualified teachers are very difficult to find or retain despite the number of new graduates each year. Disadvantaged areas as well as rural and regional locations have even greater challenges in attracting qualified staff. (sub 23, pp. 6–7)

Likewise, the Western Australian Department of Education submitted that:

The ramifications of this reform agenda for the workforce in all jurisdictions are significant and will place increased demand for qualified and skilled early childhood education and care personnel, who are currently difficult to source in hard-to-staff locations. (sub. 44, p. 4)

Chapter 9 provides further discussion of the rural and remote ECEC workforce and chapter 14 covers the workforce for Indigenous ECEC services.

## Regulatory burden

Preschool and LDC staff who feel overburdened by regulation might leave the workforce, further reducing the supply of qualified early childhood teachers and educators (Child Care National Association, sub. 60). Some preschool and LDC staff submitted that they are spending an excessive amount of time dealing with regulations and this is reducing their enjoyment of the job.

With the continued 'hands on' implementation of the current National Early Years Framework, I have observed and experienced that more is being expected of Early Childhood Teachers and Educators in the form of documentation, the implementation and documentation of [occupational health and safety] strategies, the National Quality Standards, the Modern awards enterprise agreement processes, the expectation of outside of work hours training, the creation of centre tailored policies, extra curricula activities ... all of which have an impact on the Early Childhood workforce. (Susan Sorensen, sub. 1, p. 1)

The Queensland Catholic Education Commission commented that:

The constant burden of regulations imposed on the ECEC sector has been the cause of many ECD workers leaving the profession. ECD workers feel that the bureaucracy, 'paper trail' and 'red tape' is continually increasing, making less time available for meaningful interactions with the children in their care. (sub. 13, p. 4)

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The NQS changes how LDC services are regulated, and this might have some influence on the retention of qualified teachers and educators depending on whether the overall burden rises or falls. Submissions were mixed as to whether this was likely to be the case. The Department for Communities (WA) considered that the COAG ECEC reforms would reduce the regulatory burden on LDC staff (sub. 59). Likewise, the Queensland Government submitted that the ‘duplication which pervades the current system [of ECEC regulation] will be eliminated’ (sub. DR88, p. 11). However, this view was not shared by LDC centre operator GoodStart Childcare, which felt that LDC staff would see little overall change in the level of regulatory burden (sub. 34).

Although the NQS might reduce the regulatory burden for LDC, this must be balanced against the increase in regulatory burden on preschool services (COAG 2009h). See chapter 3 for further details of the changing regulatory regime in ECEC.

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## 6 The family day care workforce

### Key points

- Family day care (FDC) educators provide education and care for children in the educators' own homes. They operate within FDC schemes overseen by coordination units, which are usually managed by a community or government organisation.
  - Nationally there are about 12 000 FDC educators and 1500 FDC coordination unit employees.
- The number of places available in FDC has declined in real terms and relative to long day care in recent years.
- Demand for FDC educators and coordinators is not expected to increase as a result of the National Quality Standard (NQS). However, as jurisdictional FDC regulations vary, the effect of the NQS will also vary.
  - Increased staff-to-child ratios for children under school age in some jurisdictions have the potential to lead to fee increases and might reduce demand for coordinators. Potentially, the viability of the most marginal FDC schemes in jurisdictions where ratios will need to increase may be threatened.
  - There is likely to be a large reduction in the regulatory burden for FDC educators in Western Australia, with smaller reductions in other jurisdictions. This is largely because FDC approval to operate and subsequent assessment and rating against the NQS will occur at the scheme level.
- Commission modelling indicates that the early childhood education and care reforms agreed by COAG could result in small reductions in the FDC workforce, reflecting higher unit costs and a reduction in demand for FDC in response to modest fee increases.
- The availability of flexible, relevant and affordable training options will be important in maintaining worker supply, particularly in rural and remote locations.
- Some pedagogical leadership by teachers employed in FDC coordination units is desirable for the delivery of the Early Years Learning Framework and the Framework for School-Age Care where children above school age attend the FDC service.

## 6.1 Provision of family day care

Family day care (FDC) services provide education and care for children in the homes of FDC educators. The FDC workforce is made up of educators and coordinators; educators account for a large majority of the total FDC workforce (table 6.1). FDC educators are usually private contractors, and provide education and care largely aimed at children from birth to five years of age. Primary school children may also attend FDC before and after school, or during school holiday periods.

Table 6.1 The family day care workforce<sup>a</sup>

	1999	2002	2004	2006	2010 <sup>b</sup>
FDC educators	12 700	13 245	12 864	11 926	12 060
FDC coordination unit staff <sup>c</sup>	1 600	1 729	1 786	1 753	1 515
<b>FDC total</b>	<b>14 300</b>	<b>14 974</b>	<b>14 650</b>	<b>13 679</b>	<b>13 575</b>

<sup>a</sup> 2008 data are not available as a result of the Australian Government Census of Child Care Services (AGCCCS) finishing in 2006. <sup>b</sup> Estimate includes volunteer staff. <sup>c</sup> Coordination unit staff include service directors, coordinators, field workers and general administrative staff.

Sources: DEEWR (2008); Productivity Commission estimates based on unpublished data from the 2010 National ECEC Workforce Census.

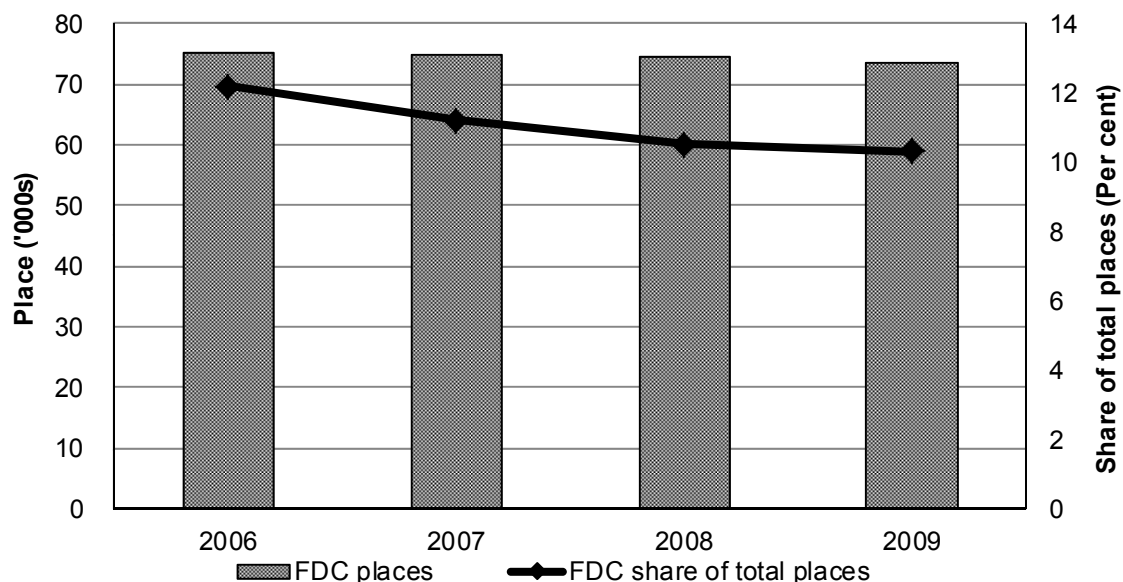
FDC educators operate within FDC service networks, also known as schemes. These schemes are usually managed by community-based organisations, local government, charities or for-profit organisations (Community Child Care Co-operative, sub. 53). In South Australia, the Department for Education and Child Development is the sole sponsor for all FDC schemes (COAG 2009h).

FDC schemes are managed by coordination units. Their role includes organising and supporting FDC educators within their scheme (AIHW 2009a), administering the child care benefit and child care rebate fee subsidies, and monitoring the progress of children in FDC (FDCA nda).

Coordination unit staff include service directors, coordinators, assistant coordinators (field workers) and administrative staff. Service directors provide management, leadership and governance to service staff. Directors and coordinators also provide pedagogical leadership to FDC educators (section 6.4).

The number of FDC places has fallen slightly in recent years. Between 2006 and 2009, the number of FDC places declined by about 2 per cent, with a similar decline in FDC as a share of total places (figure 6.1).

Figure 6.1 **Places provided by Australian Government approved family day care schemes, 2006–09<sup>a, b</sup>**



<sup>a</sup> Since the uncapping of approved places in 2006, services are not required to report their approved places to the Department of Education, Employment and Workplace Relations. Approved places information is not available for all services, and where it is available, services are free to offer care above or below their previously approved figure, up to the limit of their licence. Accordingly, places should be considered indicative of service capacity. <sup>b</sup> FDC includes in-home care places.

Source: SCRGSP (2011a).

## Role of family day care

Despite its relative decline, FDC remains an important part of the early childhood education and care (ECEC) landscape and is likely to continue to be so for the foreseeable future. According to the Municipal Association of Victoria, '[f]amily day care continues to meet a range of social outcomes that are important to Australian society' (sub. DR156, p. 6).

FDC operates as both a substitute for long day care (LDC) and a complement to preschool. In 2010, 46 per cent of FDC schemes provided a 'wrap-around' service for preschool, with children attending preschool offsite during booked hours (DEEWR ndf).

Some parents might have a preference for FDC for their child, even when other care options are available. Family Day Care Australia (FDCA), the national representative body for FDC, considered that parents might prefer FDC for their child because of the consistency of having one educator, a small group setting, family environment and flexible delivery options (sub. 61).

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In some jurisdictions, FDC can also be a more affordable option for families. When measured as a proportion of weekly disposable income net of subsidies, FDC is a cheaper option than LDC for families in New South Wales, Victoria and the ACT, but is more expensive in other jurisdictions (SCRGSP 2011a).

As part of the range of flexible delivery options available in FDC, some schemes may offer overnight and weekend services. A small number of FDC schemes may also provide emergency foster care services. Schemes usually develop specific policies and procedures for overnight and foster care services to guide the actions of educators in these circumstances.

About a quarter of FDC educators are from culturally and linguistically diverse (CALD) backgrounds (DECS 2010). The Government of South Australia noted that FDC is:

... a way for individuals (mainly women) to become economically independent and can be a valuable pathway for women from Culturally and Linguistically Diverse (CALD) backgrounds. (sub. 66, p. 7)

### *Family day care in rural and remote locations*

In some locations, FDC might be a more practical and efficient service than LDC. For instance, in certain locations it might be difficult, either because of low population density or fluctuating demand, to make an LDC centre cost effective due to its larger overheads.

FDC is more prevalent in rural and remote locations. In the major cities of Australia, about 5 per cent of children in formal ECEC attend FDC, but in inner regional, outer regional and remote areas this proportion increases to over 18 per cent (ABS 2009c). FDCA suggested that the relative popularity of FDC in rural and remote areas is due to greater flexibility of care delivery and wider geographical dispersion of FDC services (sub. 61). (See chapter 9 for further discussion of the ECEC workforce in rural and remote areas.)

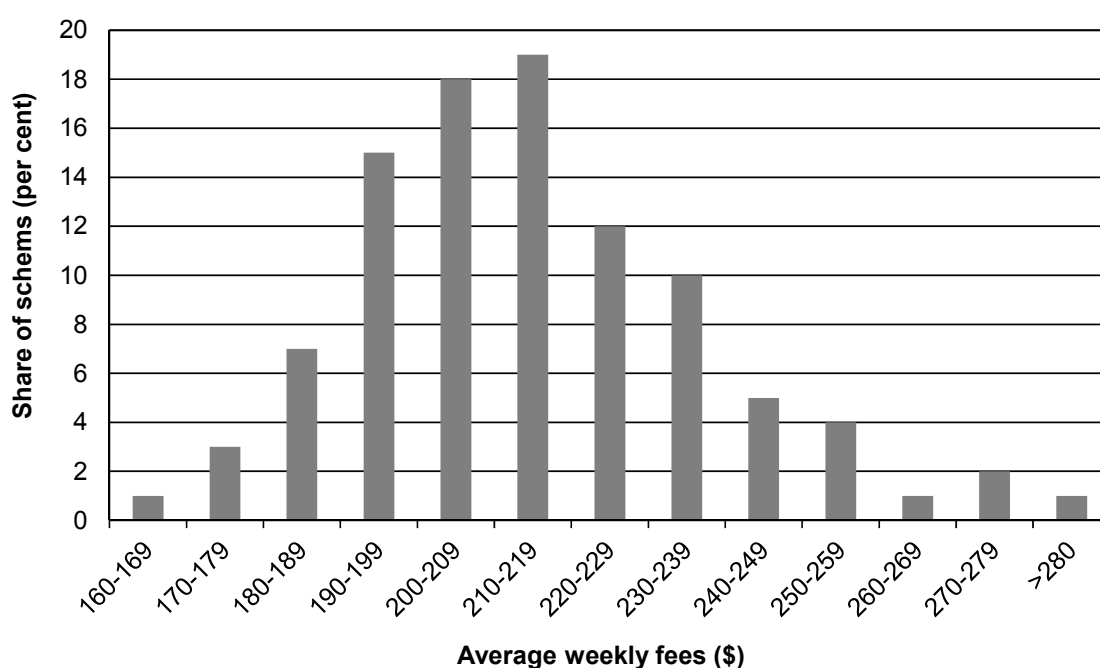
Regulatory changes introduced by the National Quality Standard (NQS) might further support the feasibility of FDC in remote locations. Under the NQS, a qualified early childhood teacher is required in all LDC services, whereas there is no requirement for the involvement of teachers in the delivery of FDC. This will support the operation of FDC schemes in areas where qualified early childhood teachers are difficult to recruit.

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## Family day care fees and family day care educator income

In most cases, the fees charged for FDC are directly linked to FDC educator income. With the exception of a small number of FDC educators in Victoria and the ACT who are employed by their scheme and paid a wage, most FDC educators are private contractors (FDCA ndb). As a result, fees for FDC are usually set by the individual educators and might vary according to location, the worker's qualifications, the hours of care and the age of the child (Care for Kids 2011) (figure 6.2). Competitive fee pressure from other FDC educators and LDCs is also likely to influence the fee set by any individual provider.

Figure 6.2     **Average weekly fees of family day care schemes, 2006<sup>a</sup>**



<sup>a</sup> Average weekly fees are calculated on the basis of 50 hours of care in the census week and include an administration levy where charged.

Source: DEEWR (2008).

## Family day care coordination unit wages

Staff in FDC coordination units, including service directors, coordinators and assistant coordinators, are employed by the scheme operators, which are often community or government organisations. The primary award for coordination unit staff is the Social, Community, Home Care and Disability Services Industry Award

2010.<sup>1</sup> This award sets the minimum wage for most staff employed by FDC schemes, as it applies in all cases where the primary function of the employer is FDC coordination (table 6.2). The classifications of FDC service director and coordinator also appear in the Children's Services Award 2010, with coverage dependent on the function of the employer (AIRC 2009).

**Table 6.2 Modern award minimum wages for family day care coordinators**

	<i>Social, Community, Home Care and Disability Services Industry Award 2010</i>	<i>Children's Services Award 2010</i>
	\$/hour	\$/hour
Assistant coordinator (field worker)	21.50	..
Coordinator	24.16	22.24
Director	27.21	25.65 <sup>a</sup>

<sup>a</sup> For a director of an FDC service of no more than 30 early childhood staff. Under the Children's Services Award 2010, FDC service director minimum wages are set according to the number of educators in the service, with the directors of larger services receiving a higher minimum wage. .. Not applicable.

Sources: Children's Services Award 2010; Social, Community, Home Care and Disability Services Industry Award 2010.

The extent to which award wages are the prevailing wage in FDC coordination units is uncertain. Some FDC coordinators have expressed dissatisfaction with their wages:

I have worked in child care for the past 16 years. I have multiple qualifications and have attended myriad training, networking and continuous improvement opportunities. I manage a scheme of 54 carers, six staff and over 600 enrolled children, and attract an hourly wage of just \$24 per hour. I feel really disheartened that despite being passionate about quality child care and spending many hours training and supervising carers and families, I am still paid less than many occupations with much less responsibility. (FDCA 2009, p. 7)

In some cases, FDC coordinators employed in coordination units managed by local governments attract a higher wage than the modern award provides (FDCA 2009). This is because FDC coordinators working for local governments usually have their pay set by collectively negotiated agreements, like other local government employees. For instance, the Moreton Bay Regional Council Enterprise Bargaining Certified Agreement 2011 sets the minimum wage for an FDC coordinator position at \$29.89 per hour, nearly 20 per cent above the modern award FDC coordinator minimum wage.

<sup>1</sup> The Western Australian Government has chosen not to join the national workplace relations system, so sole traders, partnerships, other unincorporated entities and non-trading corporations in Western Australia remain in the state award system (FWA 2010).

## 6.2 Effect of the National Quality Standard on demand for family day care educators and coordinators

The NQS introduces new regulatory requirements for staff-to-child ratios in FDC and the qualifications of FDC staff. The effects of the new requirements will vary by jurisdiction.

In Victoria, Queensland, South Australia and the ACT, regulated ratios already comply with the NQS (table 6.3). However, in New South Wales, Western Australia, Tasmania and the Northern Territory, there will be a reduction in the number of children below school age that an individual FDC educator can care for at any one time.

Table 6.3 Minimum staff-to-child ratios in family day care<sup>a</sup>

	<i>Staff-to-child ratio</i>
National Quality Standard	1:7 (maximum of 4 below school age) by 1 January 2014
NSW	1:7 (maximum of 5 below six years of age)
Vic	1:7 (maximum of 4 below school age)
Qld	1:7 (maximum of 4 below school age)
SA	1:7 (maximum of 4 below school age)
WA	Maximum of 7 children who have not commenced a secondary school program; of whom not more than 5 are below school age
Tas	1:7 (maximum of 4 under five years of age, while an educator with a Certificate III in Children's Services can care for 5 children under five years of age)
NT	1:7 (maximum of 2 under three years of age) by March 2011
ACT	1:7 (maximum of 4 below school age)

<sup>a</sup>Jurisdictional ratios apply under current regulations. The new National Quality Standard staff-to-child ratios will apply in all jurisdictions from 1 January 2014.

Source: COAG (2009h).

The draft regulations for the NQS allow variations in staff-to-child ratios for individual FDC educators in rural and remote locations where no alternative ECEC services are available. They also allow for the employment of family day care assistants, who can work alongside educators or replace them in emergencies (ACECQA 2011).

In addition, the NQS requires that all FDC educators either have or are working towards a Certificate III in Children's Services, or another appropriate qualification, by 1 January 2014. Coordinators will be required to hold a Diploma of Children's Services, or equivalent. In Victoria, Western Australia and the Northern Territory, the NQS will institute qualification requirements for FDC staff for the first time. In

other jurisdictions, there are varying degrees of change in minimum qualification requirements for both educators and coordinators (table 6.4).

**Table 6.4 Minimum qualification requirements in family day care<sup>a</sup>**

<i>Jurisdiction</i>	<i>FDC educator</i>	<i>FDC coordinator</i>
National Quality Standard	All FDC educators hold (or are working towards) a Certificate III in Children's Services by 1 January 2014	All coordinators have a Diploma of Children's Services by 1 January 2014.
NSW	Nil	Each FDC coordination unit must employ a qualified authorised supervisor holding either a certificate, diploma or degree in ECEC and with at least 12 months full-time experience
Vic	Nil	Nil
Qld	Nil	Diploma or other 2-year qualification in an ECEC relevant area of study
SA	New FDC educators must hold a Certificate III in Children's Services <sup>b</sup>	Nil
WA	Nil	Nil
Tas	Nil, but if an educator cares for more than 4 children under five years of age they must hold (or be working towards) a Certificate III in Children's Services	All coordinators must hold a minimum of a 2-year full-time or equivalent post-secondary qualification in ECEC
NT	Nil	Nil
ACT	Nil	One staff member with a diploma or degree-level ECEC qualification for every three coordinators in each FDC scheme

<sup>a</sup> Jurisdictional qualification requirements apply under current regulations. The new National Quality Standard requirements will apply in all jurisdictions from 1 January 2014. <sup>b</sup> FDC educators approved prior to the introduction of this requirement in 2004 may still retain a Certificate II in Children's Services as the highest required level of qualification.

Source: COAG (2009h).

The changes to ratios and qualification requirements are likely to affect FDC fees. In some jurisdictions, the change in staff-to-child ratios will mean FDC educators can provide services to fewer children under school age. Some educators will no longer be allowed to care for all the children who are currently enrolled, if there are more than four children under school age. This is likely to lead to a decline in educators' incomes, which are directly linked to the number of children in care. Educators may raise fees for other children attending in order to maintain their income.

While cost increases in FDC, in isolation, would tend to reduce demand for services, any cost increases in FDC must be considered relative to cost increases in other ECEC services. For instance, in cases where families view FDC and LDC as substitute services, if LDC fees increase at a faster rate than those for FDC, demand

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for FDC services and qualified FDC staff would be expected to increase. The Brotherhood of St Laurence stated that:

Implementing the quality reforms and minimum qualification requirements for all FDC staff is likely to increase the direct cost to families of accessing FDC. Nevertheless FDC is likely to continue to be a lower cost alternative [in Victoria] to long day care (LDC), which may result in more families using FDC as an alternative to LDC. (sub. DR182, p. 4)

Conversely, if the cost of FDC rises relative to LDC, this may lead to some families substituting LDC for FDC, reducing demand for FDC services and FDC educators and coordinators. This outcome is more likely to occur in those jurisdictions where there will be a reduction in the number of children below school age that an individual FDC educator can care for at any one time.

Demand for educators may rise where families have a strong preference for FDC due to its unique characteristics (FDCA, sub. 61). New educators may be required to enter the market to cater for families who will no longer be able to use their existing FDC provider, as a result of the changes in ratios for children under school age.

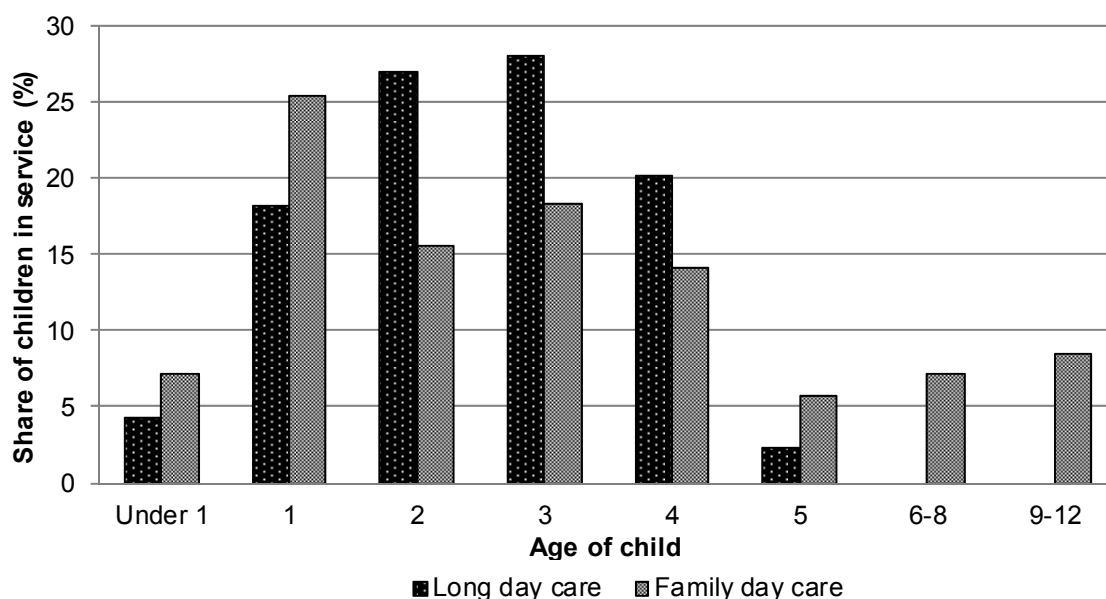
Modelling undertaken for the purposes of this study suggests that the ECEC reforms could result in a slightly smaller FDC workforce than would otherwise have been the case. This is due to the average per child out-of-pocket cost of FDC to parents being around 5 per cent higher than they would have been without the reforms. This compares favourably with LDC, where out-of-pocket expenses are expected to be more than 15 per cent higher than without the reforms. The number of children attending FDC is therefore likely to decline by a smaller margin compared with LDC attendance. More information on the model of the ECEC sector and detailed results for FDC can be found in appendix E.

### **Family day care educators: jurisdictional differences**

In New South Wales, Western Australia, Tasmania and the Northern Territory, FDC educator incomes will likely decline given the reduction in the number of children below school age that an individual educator can care for at any one time. Children below school age make up the majority of children in FDC (figure 6.3). The NSW Family Day Care Association stated that:

As FDC workers' incomes are directly linked to the number of children in their care, this reduction in the number of children [below school age] an individual FDC worker can care for will result in a reduction in their income. (sub. DR185, p. 4)

**Figure 6.3 Early childhood education and care services usually attended, 2008**



Source: ABS (2008b).

The NSW Family Day Care Association submitted that the effect of the NQS on the income of FDC educators in New South Wales should be moderated by allowing for an additional two to three years before they must comply with NQS staff-to-child ratios (sub. DR185).

FDCA suggests that the income reduction for FDC educators as a result of an increase in the staff-to-child ratio for children under school age from 1:5 to 1:4 might be as large as 20 per cent and might cause some educators to leave the workforce (FDCA 2010). However, this estimate assumes that all children in the service are below school age and that fees are not raised for the remaining children in the service to offset the income decline. Moreover, FDC services continue to be provided in jurisdictions that already meet the NQS ratios, where educator income will not be affected by the changes:

The COAG [ECEC] reforms bring national consistency based on regulatory arrangements currently operating successfully in four of the eight jurisdictions (Victoria, Queensland, South Australia and the ACT). (DEEWR, sub. DR301, p. 13)

*To achieve the National Quality Standard, staff-to-child ratios for children under school age will increase in New South Wales, Western Australia, Tasmania and the Northern Territory. These changes are likely to lead to cost increases for family day care services in those jurisdictions, which may result in fewer children attending.*

### **Family day care coordinators: affects of lower revenue**

A reduction in the number of children in FDC may also reduce coordination unit employment. Because coordination units are usually funded on a per-child basis through an administrative levy, reducing the number of children in FDC directly affects coordination unit income. This may in turn reduce the capacity of the coordination unit to achieve quality improvements in the scheme. FDCA noted that:

If the overall number of children attached to a scheme decreases, and if the overall number of carers decreases as a result of the [NQS policy] changes, then income from administrative levies also decreases. The reduction in funding could then mean a loss of positions in the coordination unit which has a flow [on effect] in terms of [coordination units] being able to build and support a quality culture within a scheme, as there are insufficient human resources. (2010, p. 6)

A decline in attendance will also lead to lower government funding for coordination units. FDC coordination units receive operational support payments from the Australian Government through the Community Support Program administered by the Department of Education, Employment and Workplace Relations. These payments are calculated on the basis of the number of equivalent full-time (EFT) utilised places reported by FDC schemes. If the number of EFT utilised places declines because fewer children are attending a scheme or children are attending for a shorter period of time, operational support payments are adjusted to reflect the change.

Lower attendance may threaten the viability of smaller FDC schemes. If the number of EFT places in a service falls below ten, the government may cease providing operational support funding (DEEWR 2010c).

A reduction in coordination unit revenue will have implications for the effective implementation of the NQS. Coordination unit staff are required to implement new self-assessment and quality planning measures as part of the NQS (FDCA, sub. 61). Reducing coordination unit resources is likely to have a negative effect on their ability to do so.

The NQS requirement for FDC coordinators to be diploma qualified is likely to place additional cost pressures on some schemes. Early Childhood Australia (NSW

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Branch) reported that, while overall their members were generally supportive of the NQS for FDC, some were concerned about the continuing viability of some FDC schemes (sub. DR190). As noted by the Brotherhood of St Laurence:

Due to the changes in the National Quality Standard the costs of coordinating and managing budgets of FDC schemes has become increasingly challenging. Higher staff-to-child ratios have meant more FDC educators are required to care for existing levels of children, which means that schemes have to support more FDC educators on the same budgets. Many council-based schemes are scaling down operation or closing completely due to the excessive running and administrative costs of FDC programs. (sub. DR182, p. 4)

#### FINDING 6.2

*In the case of the most marginal family day care schemes, coordination unit revenue could potentially decline below the minimum threshold required for ongoing operation of the scheme, as fewer children are likely to attend family day care as a consequence of increased costs arising from the reforms.*

### **Change in regulatory burden under the National Quality Standard**

The NQS may reduce the regulatory burden faced by FDC educators. Under the new regulations, the approval to operate and the subsequent assessment and rating against the NQS will occur at the scheme level. Coordination units will be regulated to ensure their policies and procedures comply with the NQS while individual FDC educators will not be directly regulated. As part of the NQS regulatory process, a small number of FDC residences will be visited by regulators (DEEWR 2011o).

For the most part, FDC educators will not be required to interact directly with the regulator under the NQS (DEEWR 2011p). This represents a change from current practices in some jurisdictions, particularly Western Australia where FDC educators are currently licensed and regulated individually. The Council of Australian Governments (2009h) estimates that the NQS is likely to lead to regulatory cost savings for FDC educators across all jurisdictions by reducing the time regulators spend visiting FDC educators.

#### ***Regulatory waivers for family day care services under the National Quality Standard***

NQS provisions allow for temporary and permanent service waivers for ECEC services that cannot fully comply with the NQS, including FDC services. The waivers allow services to continue operating while they are in breach of the NQS requirements. FDC schemes that are unable to ensure all FDC educators hold (or are

working towards) a Certificate III in Children's Services, or all coordinators hold a Diploma of Children's Services, can be issued a waiver. These waivers can be either a temporary waiver for 12 months, or a permanent service waiver that provides ongoing exemption from NQS requirements. Permanent and temporary service waivers as they will apply to ECEC services under the NQS are discussed in more detail in chapter 3.

### 6.3 Effect of the National Quality Standard on the supply of family day care educators and coordinators

While demand for FDC educators and coordinators is not expected to significantly change as a result of the NQS, the number of existing educators and coordinators who must upgrade their qualifications to meet NQS requirements is substantial. In 2010, about 40 per cent of FDC educators held no qualifications in an ECEC-related field, while a further 3 per cent were underqualified by NQS requirements (table 6.5). This equates to 5212 FDC educators nationally who must attain a certificate III to meet the NQS. About 30 per cent of these educators are in New South Wales, 25 per cent are in Queensland and 21 per cent are in Victoria (DEEWR ndf). About 18 per cent of FDC service directors and coordinators were either unqualified, or held a qualification insufficient to meet the NQS minimum coordinator qualification of a Diploma of Children's Services.

**Table 6.5 Educational attainment of the family day care workforce<sup>a</sup>**

	<i>FDC educators</i>	<i>FDC service directors and coordinators</i>
	%	%
Bachelor degree	4.5	23.4
Advanced diploma or diploma	16.0	57.9
Certificate III or IV	36.0	8.5
Less than certificate III	3.4	2.1
No ECEC qualification	40.1	7.6

<sup>a</sup> Highest level of attained qualification in an ECEC-related field. Does not include qualifications that FDC staff may be currently studying towards but have not yet attained.

Source: Productivity Commission estimates based on unpublished DEEWR data from the 2010 National ECEC Workforce Census.

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If currently unqualified FDC educators and coordinators are unable to upgrade their qualifications, this will reduce the supply of the FDC workforce. This might make it difficult for some FDC schemes to comply with the NQS, particularly given that some services already experience recruitment difficulties.

The City of Greater Geelong stated that:

The Family Day Care workforce faces a number of issues shared with other service providers in the child care industry, such as problems with recruitment of new carers and coordination staff (especially in rural and remote areas), remuneration and retention of existing workers, difficulty accessing professional development and training, and a generally low status and standing in the community. (sub. 20, p. 7)

A further reduction in supply may occur if educator incomes in New South Wales, Western Australia, Tasmania and the Northern Territory fall as a result of a reduction in the number of children under school age an individual educator can care for. This may cause individual educators to exit the FDC workforce. As the NQS establishes the same qualification requirements for FDC and LDC educators, if LDC educator wages increase as a result of the NQS, some FDC educators may decide to work in LDC (see chapter 5 for further discussion of the likelihood of wage increases for LDC educators). This could further reduce the supply of FDC educators. A submission from an FDC educator stated that:

Another reason why educators are leaving [the FDC workforce] is the low wages. They are paid more if they work in a [LDC] centre, with no [service] running costs. Running costs [for an FDC service] include expensive energy and water costs, equipment, paper towels, soap etc, art/craft supplies, toys etc. These have to be absorbed into the educators' wage. (Name withheld, sub. DR281, p. 3)

## **Family day care workforce training**

### *Cost of and access to training for family day care educators*

To prevent any substantial decline in the FDC workforce, training must be both accessible and affordable for FDC educators. FDCA suggests that FDC educators might face difficulties accessing training because of isolation; inability to access online options; language and literacy issues; lack of computer skills; and the length of time since the worker was last involved in formal study (sub. 61). This may affect the supply of FDC educators under the NQS. For instance, the City of Casey submitted that:

If Family Day Care regulations and demands are difficult for educators they may struggle to meet them and therefore will need to leave by choice or as a result of non-compliance. (sub. 35, p. 4)

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Relative to the training costs faced by the broader ECEC workforce, the cost of training is often higher for FDC educators. Because they are self employed, FDC educators face considerable costs in lost income if they take time off for training and assessment (Victorian Government, sub. 87). As FDCA noted:

Currently the majority of family day care educators [are] completing their qualifications after commencing work within the sector and hence are studying while working, which would require them to shut down their business [to attend centre-based practicums and assessment]. (sub. 61, p. 8)

The Victorian Family Day Care Educators Association noted that even in cases where training is carried out in the evening or on the weekend in order to minimise income loss to educators and inconvenience to families using FDC services, training is still costly to educators in terms of lost personal time (sub. DR180).

Because there will be a cost to educators involved in upgrading their qualifications, there might be some FDC educators who choose to leave the FDC workforce rather than upgrade their qualifications. The costs of study include both monetary costs such as training fees and equipment and also non-monetary costs such as study time and time spent travelling for study. For some FDC educators, the costs of upgrading their qualifications might outweigh the benefits. About 50 per cent of the FDC workforce reported that cost was a barrier to them upgrading their qualification, while 60 per cent reported that they did not have enough free time for further study (DEEWR ndf).

Some members of the FDC workforce may also choose to bring forward their retirement rather than gain new qualifications. The average age of the FDC workforce is higher than that of the rest of the ECEC sector, and nearly 20 per cent of FDC workers are over 55 (DEEWR ndf).

The cost of training is likely to be higher for FDC educators in remote locations or from CALD backgrounds due to the extra costs imposed by distance and language barriers respectively (CSHISC 2010b). These educators might benefit from specifically targeted training packages.

For instance, the Government of South Australia submitted that:

The Department of Education and Children's Services and TAFE SA are facilitating a Certificate III in Children's Services targeting people from culturally and linguistically diverse (CALD) backgrounds. This program combines the Certificate III in Children's Services with a Certificate in English Language Proficiency. The program trains people from CALD backgrounds to obtain qualifications to work in their own home based child care businesses, including Family Day Care, and in child care centres. The program has been highly successful in delivering successful outcomes for around 90 per cent of participants. (sub. 66, p. 13)

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The practical component of certificate III qualifications also creates challenges for some FDC educators. In some cases, registered training organisations providing certificate III training require that students complete a practical element as a unit of competency in an LDC centre (CSHISC 2010b; FDCA, sub. 61). This is likely to be more difficult for FDC educators in remote locations who may have to travel long distances to attend centre-based training.

Providing FDC educators with training options that fit with their existing working arrangements will tend to lower the cost of study. FDCA cited a lack of flexible training options as a significant barrier for FDC educators wishing to undertake training and further professional development (sub. 61). Flexible training options are particularly important for educators in rural and remote locations who might have difficulty accessing conventional training options.

#### *Access to training for family day care coordination unit staff*

FDC coordination unit staff may also face difficulties in upgrading their qualifications. This is often because it is difficult for coordination units to find replacement staff for staff members attending training. FDCA noted that:

Coordination unit staff often face difficulties in back-filling positions, due to such factors as the specialised nature of the work role and legislative requirements for minimum contact hours with educators. (sub. 61, p. 7)

#### *Relevant training for the family day care workforce*

While the Certificate III in Children's Services and Diploma of Children's Services are intended to provide educators with skills applicable to a variety of ECEC settings, there is a push within the FDC workforce for training with more focus on the unique requirements of FDC.

The Community Services and Health Industry Skills Council, which has responsibility for updating the content of children's services qualifications, recommended:

... enhancing small business skills and new skills for family day care coordinators, and providing better training, assessment and recognition approaches for workers who are sole traders and in many cases from culturally and linguistically diverse backgrounds. (CSHISC 2011, p. 20)

One potential solution to make training more relevant to FDC educators is to increase the number of training electives specific to FDC. Currently only one FDC-specific elective, focused on compliance with FDC administrative

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requirements, is included in the Certificate III in Children's Services. Training of the FDC workforce is further discussed in chapter 10.

## **6.4 Pedagogical leadership**

The upcoming ECEC reforms are unlikely to lead to a significant increase in demand for early childhood teachers in FDC, as the NQS only requires FDC coordinators to have a diploma qualification. However, an important aspect of the NQS is pedagogical leadership in ECEC services. In preschool and LDC services, the pedagogical leader is likely to be a qualified teacher. Without access to pedagogical leadership, it will be difficult for FDC educators to effectively deliver the Early Years Learning Framework and the Framework for School-Age Care.

This has implications for early childhood education, particularly in remote locations where other formal care options are not available. While FDCA notes that there are already some 4-year-qualified teachers working within FDC, it is their aim to increase the number of coordinators with this level of qualification (sub. 61). In 2010, only 3 per cent of the FDC workforce held ECEC teaching qualifications (DEEWR ndf).

Given the nature of FDC, demand for qualified teachers in FDC is likely to be low relative to LDC and preschool. The small group sizes of FDC and the geographic distribution of these groups tends to make it prohibitively expensive for FDC services to offer a preschool program directly. This limits demand for early childhood teachers in FDC. However, attendance at FDC does not necessarily compromise children's access to preschool. Some parents may make private arrangements for their children to attend preschool, or alternatively, send their children to one of the many FDC schemes that provide a 'wrap-around' service to preschool delivered offsite. The practice of FDC schemes facilitating access to preschool delivered offsite is likely to see further growth under the NQS:

... family day care services, to achieve a rating of 'high quality' under the National Quality Standard (NQS), will need to provide access to a preschool program for children in the year that is two years before [the child enters] Grade 1. This can be either by directly providing a preschool program, or by facilitating a child's access to a nearby program. This will provide a clear incentive for parents seeking access to a preschool program for their child to continue to use family day care services. (DEEWR, sub. DR301, p. 13)

Employing additional early childhood teachers in coordination units is likely to be costly and indeed unaffordable in some cases. However, some pedagogical leadership for educators employed in FDC would be desirable for the appropriate delivery of the Early Years Learning Framework and the Framework for School

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Age Care where children above school age attend the FDC service. This responsibility will fall on coordination unit staff, further emphasising the need for appropriate training and support for these workers.

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## 7 The outside school hours care workforce

### Key points

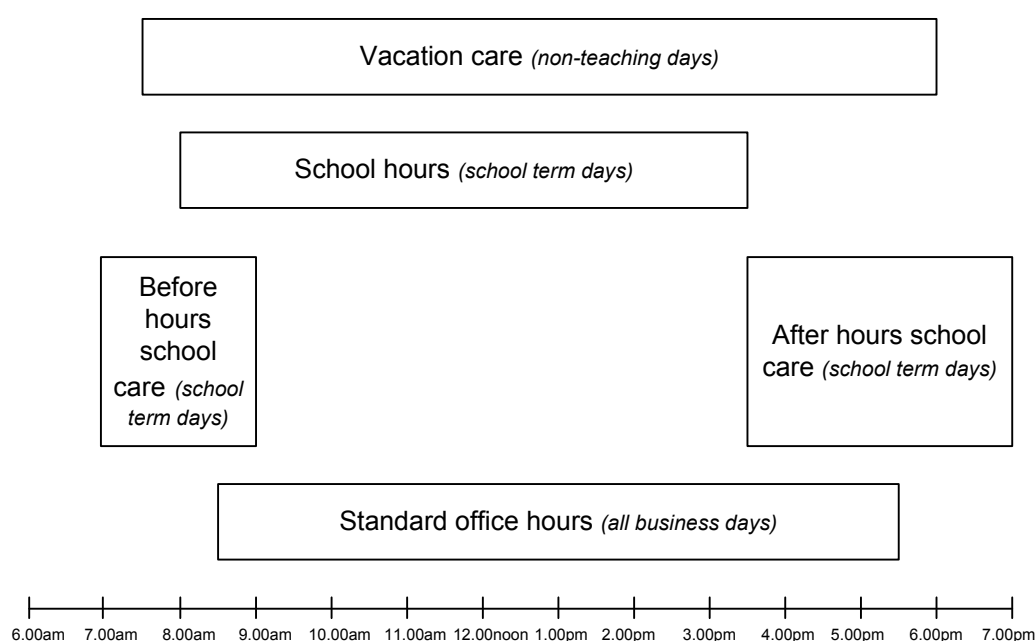
- Outside school hours care (OSHC) is a major component of the early childhood education and care (ECEC) sector, caring for over 340 000 children through approximately 5300 services and employing roughly 30 000 workers.
- Demand for OSHC services results largely from families who require child minding services to meet work commitments.
- OSHC has been growing strongly for a sustained period of time.
  - Demand for OSHC is significantly influenced by parents' work commitments, and whether their extended household is capable of providing informal care.
- Broadly speaking there are two groups of OSHC employees — directors and coordinators who manage and lead OSHC services, and OSHC educators who provide care services directly to children.
  - Directors play an important leadership role in the OSHC workforce and will be important in ensuring that OSHC services are able to implement the Framework for School Age Care in Australia — 'My Time, Our Place'— which is included in the National Quality Framework (NQF).
- Flexible working arrangements and relatively low barriers to entry have seen the OSHC workforce meet growing demand for OSHC services. Employers require a workforce that can work flexible and variable hours on a casual or seasonal basis.
- The OSHC workforce has higher rates of part-time and casual employment than the rest of the ECEC sector, with workers less likely to hold an ECEC qualification, but with a high degree of professional development.
- OSHC is better suited to the holistic development of children through constructive play and socialisation, rather than school-like education. This is reflected in ECEC employers' preference for OSHC educators who are able to meet part-time and casual working arrangements, rather than workers with ECEC qualifications.
- Though mandatory qualification requirements for all OSHC workers may improve the quality of OSHC services, such requirements will also increase recruitment and retention pressures faced by OSHC providers. More cost-effective approaches to improving OSHC quality include limiting qualification requirements to OSHC directors and coordinators.

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## 7.1 Outside school hours care

Outside school hours care (OSHC) is a major component of the early childhood education and care (ECEC) sector, providing 30 per cent of all approved ECEC services (Productivity Commission estimates based on unpublished DEEWR data). OSHC services include before school care, after school care and vacation care. OSHC services vary greatly with respect to timing (figure 7.1) and are commonly provided to children in centres at, or close to, primary schools (COAG 2009h).

Figure 7.1 **Opening times for outside school hours care, vacation care and occasional care**



Source: Productivity Commission estimates based on public submissions, consultations and DEEWR (2008).

Though included in reforms to the early childhood sector, OSHC is considered to be a middle childhood service providing services to children of school age. Within OSHC services 98 per cent of children are aged between 5 and 12 years; of these 50 per cent are between 8 and 12 years of age (Productivity Commission estimates based on unpublished DEEWR data).

There are approximately 5300 providers of OSHC services in Australia (Productivity Commission estimates based on unpublished DEEWR data). Government and community-run centres constitute 60 per cent of these service providers, with the remaining 40 per cent being private for-profit providers. However, the proportion of private for-profit providers has grown rapidly,

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increasing from 11 per cent of the total in 2004-05 to over 40 per cent in 2009-10 (SCRGSP 2011a).

Government funding for OSHC is largely via the child care benefit and the child care rebate. Additional government assistance is provided by local government, which supplies some facilities to community-run OSHC services (appendix E). The increase in direct government funding, through the child care benefit and the child care rebate appears to have driven the strong growth in private for-profit OSHC providers.

OSHC services are currently regulated by state governments which stipulate staff-to-child ratios and qualification requirements. This commonly involves more than one Act and multiple agencies (table 7.1). While national standards for OSHC were proposed by the 1995 Community Services Minister's Conference, these standards are not binding. Instead, they were intended to act as a catalyst for future nationally consistent provision of OSHC, and provide a minimum level of regulation of OSHC (COAG 2009h). Previous reviews of the ECEC sector have noted there was significant overlap and duplication in OSHC regulatory arrangements (PC 2009a). Additional motivations to provide a nationally consistent set of OSHC regulations include:

- a perception that national regulation would improve the standing of the OSHC sector (Cartmel 2007)
- concerns that OSHC is oriented around parents' needs rather than childrens' needs for development
- concerns regarding inconsistent regulatory arrangements
- the welfare of OSHC employees
- the streamlining of present regulation (PC 2009a).

OSHC services form a higher proportion of Indigenous-focused ECEC services than in the rest of the ECEC sector, and account for a large proportion of Indigenous child participation in ECEC services (chapter 14). Further, OSHC forms more than half of Indigenous-focused ECEC services in remote and very remote communities (table 14.4), as well as those in the Northern Territory and Queensland (table 14.2). Indigenous-focused OSHC and enrichment programs offer a range of services including supervised care, organised activities, homework centres and nutrition services (DOFD 2008). High participation rates of Indigenous children in OSHC may be due to the attractiveness of the suite of services offered, particularly to those children in remote areas with high levels of disadvantage. High participation rates may also be due to the less regulated nature of some OSHC services, such as those

in the Northern Territory (appendix F), that currently place no restrictions on staff-to-child ratios.

**Table 7.1 Existing regulation of outside school hours care<sup>a,b</sup>**

<i>State</i>	<i>Overview</i>
NSW	OSHC services in New South Wales are required to register with Community Services, an agency within the NSW Department of Human Services. Providers are required to supply information about the provision of the service if requested by Community Services. Development of operational requirements for OSHC services is proposed as part of a second stage of regulation.
Vic	Victorian OSHC providers are required to be licensed by the Department of Education and Early Childhood Development under the <i>Children's Services Act 1996</i> and the <i>Children's Services Regulations 2009</i> . These regulations require OSHC staff to meet minimum training requirements as well as having effective communication mechanisms and policies.
Qld	Child care centres in Queensland are regulated under the <i>Child Care Act 2002</i> and the <i>Child Care Regulation 2003</i> . The Department of Education and Training is responsible for administering these regulations through the Office for ECEC. Under these regulations, childcare services that cater for seven or more children, including care-based services, are required to be licensed.
SA	Childcare centres in South Australia are regulated under the <i>Children's Services Act 1985</i> and the <i>Children's Services (Child Care Centre) Regulations 1998</i> . Stand-alone occasional care services are required to be licensed under the Act, but OSHC services are not licensed or regulated unless they are OSHC services provided on South Australian Department for Education and Child Development property. In this case they are required to meet the national standards for OSHC as a condition of use of the facilities. OSHC services operating on Catholic Education and some other private school sites are also required, by policy, to meet the national standards.
WA	OSHC in Western Australia is regulated by the <i>Child Care Services Act 2007</i> and the <i>Child Care Services (Child Care) Regulations 2006</i> , as well as the <i>Child Care Services (Outside School Hours Care) Regulations 2006</i> and <i>Child Care Services (Rural Family Care) Regulations 2010</i> . The Western Australian Department for Communities is responsible for administering these regulations with OSHC services required to be licensed.
Tas	The Child Care Unit at the Department of Education is responsible for administering the <i>Child Care Act 2001</i> . This Act requires centre-based OSHC to be licensed, including specifications for OSHC services to maintain staff-to-child ratios of 1:15 for school-aged children.
NT	The <i>Care and Protection of Children Act 2007</i> and the <i>Care and Protection of Children (Children's Services) Regulations 2009</i> provide the overarching legislative framework for ECEC services in the Northern Territory, with the Department of Education and Training responsible for their administration.
ACT	The <i>Children and Young People Act 2008</i> requires OSHC service providers in the ACT to be licensed and is administered by the Children's Policy and Regulation Unit, a section of the Office for Children, Youth and Family Support within the Department of Disability, Housing and Community Services.

<sup>a</sup> Further details of regulation governing the ECEC sector is provided in appendix F. <sup>b</sup> The requirements necessary to be classified as a qualified staff member are detailed in the relevant jurisdictional Acts.

There is little formal research concerned with the OSHC sector, relative to the rest of the ECEC sector. Though OSHC is included in data collections for the ECEC sector, such as in the 2010 National ECEC Workforce Census conducted by the

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Department of Education, Employment and Workplace Relations (DEEWR), there is little scholarly research in areas such the effectiveness of OSHC services and determinants of OSHC quality (NOSHSA, sub. DR356; OSHCsa, sub. DR363; Queensland Children's Activities Network, sub. DR357).

## **The outside school hours care workforce**

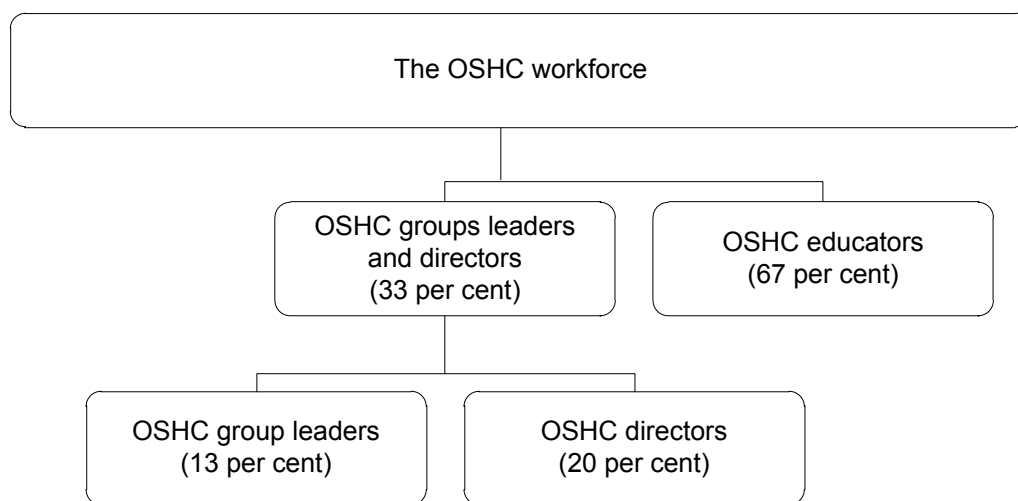
The current OSHC workforce includes approximately 30 000 individuals, making up 20 per cent of ECEC workers (Productivity Commission estimates based on unpublished DEEWR data).<sup>1</sup> Within the OSHC workforce there is extensive part-time or casual employment, with only 10 per cent of workers being in permanent full-time employment (CSMAC 2006; Productivity Commission estimates based on unpublished DEEWR data). The OSHC workforce also has low rates of tertiary qualifications, with almost half of the workforce possessing no post-high-school qualification (Productivity Commission estimates based on unpublished DEEWR data). However, there is a significant shift towards employer-provided professional development for OSHC employees, with over 70 per cent of employees undertaking in-service professional development each year (Cassells and McNamara 2010).

As with the ECEC workforce more broadly, it is possible to identify two broad groups within the OSHC workforce, one consisting of directors and coordinators and the other consisting of OSHC educators (figure 7.2). Though there is some overlap in the work that each group undertakes, they also have distinctly different roles and responsibilities. Commonly, directors act as leaders of OSHC services, coordinating OSHC educators, ensuring compliance with statutory requirements and conducting program planning. Coordinators are also involved in providing program planning, but manage OSHC educators directly. OSHC educators are also involved in program planning, but the primary focus of their role is on implementing the program directly with children. In some cases, a number of roles may be fulfilled by the same person. For example, a small OSHC centre may have one person fulfilling the role of both director and coordinator.

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<sup>1</sup> Study participants considered that DEEWR census data underestimates the OSHC workforce as it is unable to account for the large number of itinerant and casual staff working in the sector (NOSHSA, sub. DR356).

**Figure 7.2 The outside school hours care workforce<sup>a</sup>**  
By employment type



Source: Cassells and McNamara (2010).

<sup>a</sup> These numbers exclude additional non-contact staff employed, for example, as cooks, cleaners, bookkeepers. As these workers are not included in the terms of reference for the Early Childhood Development Workforce study, they have not been included.

Reflecting these different job requirements and responsibilities, directors and coordinators are more likely to hold post-high-school qualifications and receive higher wages than OSHC educators. They are also more likely to work on a permanent full-time basis in order to complete administrative tasks after opening hours.

Many OSHC educators chose to work in OSHC due to its casual, temporary, part-time or seasonal hours, as these arrangements enable them to meet other commitments (Rolfe 2005). Study participants suggest that there are two significant groups of OSHC educators: young working mothers who find employment in OSHC convenient as it allows them to meet family commitments; and university students who work in OSHC as it provides a source of income while they study (Catholic Education Office of Western Australia, sub. 65; OSHCs, sub. DR363; Queensland Children's Activities Network, sub. 84).

OSHC employers revealed that they experience significant difficulties recruiting workers into vacant OSHC positions. OSHC employers reported receiving few applicants for advertised positions, noting that it was difficult to find people able to fill the two and three hour shifts before and after school hours that are a feature of the sector (Network of Community Activities, sub. DR359; NTOSHC Association, sub. DR362; OSHCs, sub. DR363). These difficulties create a constant set of pressures on OSHC service directors (NTOSHC Association, sub. DR362).

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Study participants also raised the pay and conditions of OSHC workers as a concern. Many study participants considered that OSHC workers are underpaid, even relative to the rest of the ECEC sector, suggesting that remuneration levels do not make it possible to have a lasting career in OSHC. Also of concern to study participants was the lack of time allocated for OSHC educators to undertake the planning and documentation required by regulation (Network of Community Activities, sub. DR359; NTOSHC Association, sub. DR362; NOSHSA, sub. DR356).

### **How is OSHC different from other forms of ECEC?**

The OSHC sector is considered to hold a unique position among other ECEC services as it works with children of school age, emphasising child development through leisure-based activities rather than school-based education. This includes a range of activities aimed at facilitating constructive play and socialisation for children, recognising the importance of social interactions and recreation (OSHClub 2011).

OSHC's unique emphasis is largely a result of its history which saw growth oriented around the needs of parents rather than children. OSHC services initially emerged in the early 1900s to provide child-focused recreation services. However, this focus shifted towards the needs of parents in the 1970s, when the provision of childcare was seen as an important mechanism for supporting increased female labour participation (Blau 1995; Moyle and Evans 1997). Subsidies were paid directly to parents, replacing direct government funding of OSHC centres, meaning that strong growth in OSHC services orientated around the needs of working parents rather than the developmental needs of children (Cartmel 2007). This attitude persists, with parents' need to work accounting for 88 per cent of the demand for OSHC services (Cassells and McNamara 2010).

OSHC services are gradually reorientating around the needs of both children and parents, with greater emphasis on child development. This transition is based on new discoveries in child development (section 4.1) which is embodied in the National Quality Framework.

The OSHC sector is focused on promoting holistic child development through leisure-based activities that involve constructive play and socialisation for children between the ages of 5 and 12 years. Rather than focusing on formal education, OSHC provides leisure-based care focused on the development of socio-emotional skills such as perseverance, motivation, and the ability to interact with others. These socio-emotional skills assist children when they undertake formal education, and

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explain differences in educational and life outcomes between adults (Heckman 2006). In this regard they are crucial to early childhood development and are enhanced by a diverse range of activities including music (Music Council of Australia, sub. 51 and sub. DR214). A discussion of the different aspects of child development is in appendix C.

There is also limited scope for OSHC's ability to provide child development through school-like educational services that focus primarily on core cognitive skill formation. Due to the nature of OSHC services as a supplementary service to formal schooling, many children attending OSHC have formal schooling on the same day. There is some concern that additional intensive education may overload children, causing stress, anxiety or both (NOSHSA, sub. DR356). The scope for educational services is limited further by the fact that children only spend on average six hours per week in OSHC (ABS 2007a).

Given OSHC's emphasis on holistic leisure-based development, many OSHC employers do not consider it necessary for all workers to hold high-level ECEC qualifications (Network of Community Activities, sub. DR359; NSW Government, sub. DR326; NTOSHC Association, sub. DR362; OSHCsa, sub. DR363; Queensland Children's Activities Network, sub. DR357). Study participants reported a preference for a mixture of qualified and unqualified OSHC educators from a variety of backgrounds, as they feel that exposure to such a diverse pool of people is an important component of a child's development and essential to service quality (Network of Community Activities, sub. DR359).

## **7.2 Changes in the outside school hours care sector**

OSHC has experienced strong growth, with 4 per cent per annum increases in the number of children attending between 2002 and 2006 (Cassells and McNamara 2010). OSHC has been responding well to these increased demands, despite recruitment difficulties, with average staff-to-child ratios remaining constant at around 1:12 during the same time period (Cassells and McNamara 2010), while attracting a workforce dedicated to providing quality OSHC services (Network of Community Activities, sub. DR359).

New demand for OSHC appears to have been met due to the following factors:

- a flexible OSHC workforce — characterised by high rates of casual and part-time employment, especially among unqualified OSHC educators who fill seasonal and casual positions

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- low qualification requirements limiting barriers to entry for those employees wishing to work in ECEC only for a short period of time
  - high levels of in-service professional development to increase the effectiveness of workers
  - strong growth of private OSHC providers
  - regulatory barriers which are low relative to the rest of the ECEC sector
  - socio-demographic changes (DEEWR, sub. DR301)
  - changes in parental work patterns (DEEWR, sub. DR301).

Given the opening hours of OSHC services, part-time and casual employees filling OSHC educator positions are a particularly important source of flexibility for OSHC. The low barriers to entry which these workers experience contribute to OSHC's effectiveness and its ability to meet parents' need for OSHC services. They are also attractive to OSHC educators, who gain satisfaction from being able to pursue other life opportunities (Rolfe 2005).

### **7.3 What will the COAG ECEC reforms mean for outside school hours care?**

The National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care, adopted by COAG in 2009, will introduce the first nationally consistent regulatory framework for ECEC services (chapter 3). Under the new regulatory framework there will be no changes to existing staff-to-child ratios or staff qualification requirements for OSHC services (COAG 2009h). However, OSHC services will be subject to the new ratings system introduced as part of the National Quality Framework (NQF) (chapter 3). Given their responsibility for leadership, directors will play an important role in the implementation of this new ratings system.

The NQF includes the Framework for School Age Care in Australia (FSAC), called 'My Time, Our Place' (DEEWR 2011n). The FSAC supports and provides guidance to educators working with school-age children in OSHC (DEEWR 2011n) (box 7.1). It is intended that the FSAC will:

ensure that children in school age care will have opportunities to engage in leisure and play-based experiences which are responsive to the needs, interests, and choices of the children attending the service and contribute fully to their ongoing development. It will support and provide guidance to educators working with school age children in outside school hours care, long day care, and family day care settings. (DEEWR 2011u)

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**Box 7.1      The ‘My Time, Our Place’ Framework for School Age Care in Australia**

‘My Time, Our Place’ is the Framework for School Age Care in Australia (FSAC) and is designed to ensure that children receive high-quality school-age care experiences. Educators of school-aged children will use the FSAC to work with children and their parents, viewing children as active participants and decision makers while identifying programs that build upon childrens’ interests and abilities. Within the FSAC, developing life skills and a sense of enjoyment are emphasised, with the aim of promoting quality experiences for rich learning, personal development and citizenship opportunities. This is achieved through supporting spontaneous play and leisure experience initiated by children (DEEWR 2011n).

The FSAC consists of three inter-related elements — principles, practice and learning outcomes — which provide educators with a foundation for pedagogy and decision making, helping to guide their interaction with children (so as to promote opportunities for belonging, being and becoming.) The principles reflect contemporary theories and research evidence on school-aged care and underpin practice which is focused on making progress towards five outcomes that children:

- have a strong sense of identity
- are connected with and contribute to their world
- have a strong sense of wellbeing
- are confident and involved learners
- are effective communicators.

These outcomes are designed to capture the integrated and complex wellbeing, development and learning of children. They include that children.

The FSAC will come into effect under the National Quality Standard as of 1 January 2012. Outside school hours care providers and other providers of school-aged care, including long day care and family day care, will be required to demonstrate their use of the FSAC in the design and delivery of programs. The transition to the FSAC will be strengthened by a range of support materials which are currently being developed by the Department of Education, Employment and Workplace Relations (DEEWR, sub. DR301)

*Source:* DEEWR (2011n).

While further regulation of OSHC may be desirable for increasing quality, such regulation also runs the risk of limiting the sector’s ability to respond to future increases in demand. In particular, the imposition of additional staff-to-child ratios and qualification requirements risks the creation of labour shortages, particularly among OSHC educators where difficulties in recruitment and retainment are a significant burden for many OSHC directors. OSHC is responding well to strong

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increases in demand due to its flexible workforce with low barriers to entry, high levels of internal professional development and increased private sector provision.

Further, given that OSHC is suited to promoting children's development through leisure-based activities, rather than school-like activities, it is not necessary to require all OSHC workers to obtain ECEC qualifications (Community Connections Solutions Australia, sub. DR228; Network of Community Activities, sub. DR359; NSW Government, sub. DR326). As discussed in appendix D, many countries do not require all OSHC workers to hold significant formal qualifications, nor do they impose stringent staff-to-child ratios. Instead, these countries recognise that the nature of OSHC is suited to providing recreation, leisure and care services which support childrens' development.

## **7.4 Qualifications for the outside school hours care workforce**

Generally speaking, additional ECEC qualifications can improve the quality of care provided in OSHC. For example, Burchinal, Howes and Kontos (2002) conclude that caregivers level of education is a better predictor of quality than group size or adult-child ratios (appendix C). In fact, mandatory qualifications for all OSHC workers were seen as desirable by a number of study participants (Australian Community Children's Services, sub. DR153; Child Australia, sub. DR168; Community Child Care, sub. DR212; Early Childhood Australia (NSW), Early Childhood Australia (NSW Branch), sub. DR190; Early Childhood Teacher Education Council NSW, sub. DR162; Hume City Council, sub. DR325; North Coast and Southern Cross University, Early Childhood Education Unit sub. DR176; NOSHSA, sub. DR356; Tasmanian Ministerial Child Care Advisory Council, sub. DR173).

However, just as in the rest of ECEC, requiring all employees to hold additional qualifications will likely exacerbate existing difficulties in recruiting and retaining staff. This may be more pronounced in OSHC, than elsewhere in ECEC. Such requirements for additional qualifications would be particularly damaging for the recruitment of OSHC workforce where a relatively large component of the workforce are employed in part-time and casual work. In fact, many OSHC educators that fill three-hour shifts while pursuing higher education may leave OSHC altogether if required to obtain qualifications. This may result in some OSHC services having to shut down, or breach existing state and territory regulations.

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Study participants recognised the costs involved in mandatory qualifications across the OSHC workforce.

The implementation of a mandatory qualification for all staff is unmanageable and unable to be sustained within the OSHC sector in NSW. Ultimately the imposition of a mandatory qualification could result in the driving down of quality [rather] than raising it. We caution against a system that has staff employed for their qualification rather than their ability to relate to children and create positive environments where they can spend their leisure hours. (Network of Community Activities, sub. DR359, p. 4)

Many participants did not believe that additional mandatory qualification requirements are necessary or feasible, and there was also particularly strong opposition to the imposition of a certificate III ECEC qualification for all of the OSHC workforce (Government of South Australia, sub. DR337; Network of Community Activities, sub. DR359; NTOSHC Association, sub. DR362; NSW Government, sub. DR326; OSHCsa, sub. DR363; Queensland Children's Activities Network, sub. DR357).

Despite limited jurisdictional qualification requirements, many OSHC workers already hold qualifications, with 48 per cent of OSHC workers holding some ECEC qualification and 36 per cent studying towards a higher qualification (Productivity Commission estimates based on unpublished DEEWR data). Even in New South Wales where OSHC is regulated lightly, 60 per cent of staff are qualified despite services relying heavily on a casual workforce made up of tertiary students, freelance artists, sportspeople and actors (Network of Community Activities, sub. DR359). Professional development is also high in OSHC with 77 per cent of workers undertaking relevant in-service training (Cassells and McNamara 2010). This suggests that even unqualified educators' competency is being improved significantly.

Requiring all OSHC workers to hold additional ECEC qualifications may also be undesirable for the delivery of higher quality OSHC if it forces OSHC workers to leave the sector. A variety of OSHC educators with different life experiences is considered desirable, as it is viewed as the child's first exposure to the community (Network of Community Activities, sub. DR359; NOSHSA, sub. DR356). OSHC educators with a broad set of skills and qualifications in areas such as sport and recreation, health, education, music and art are also desirable (Music Council of Australia, sub. 51 and sub. DR214; OSHCsa, sub. DR363; Queensland Children's Activities Network, sub. DR357).

One solution to the risks imposed by across-the-board qualification requirements in OSHC is requiring only ECEC qualifications to be held by OSHC service leaders, such as coordinators and directors. While there was no broad agreement from study

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participants as to qualification requirements for all staff, there was a broad consensus that there needed to be at least one member of an OSHC service that is able to fulfil the role of pedagogical leadership, coordinating the FSAC and its implementation, especially when working with casual or transient educators (Community Connections Solutions Australia, sub. DR228; NOSHSA, sub. DR356; NSW Government, sub. DR326; OSHCsa, sub. DR363; Queensland Children's Activities Network, sub. DR357). Such an approach could involve innovation in the management models used in OSHC, including the centralisation of administrative tasks (Queensland Children's Activities Network, sub. DR357).

Alternative approaches to improving the quality of OSHC include supporting the provision of professional development opportunities for educators. There is already a high rate of professional development in OSHC, meaning that such approaches have the advantage of not imposing additional costs on OSHC services and avoiding the creation of barriers to entry.

The imposition of higher staff-to-child ratios in OSHC may increase the quality of services. However such regulatory changes would also be expected to exacerbate recruitment and retention difficulties in OSHC. In many cases, this would cause centres to ration their services, either through price increases or by reducing the number of available places for children.

FINDING 7.1

*Outside school hours care focuses on holistic child development through constructive play and socialisation. Outside school hours care is also dependent on casual and part-time staff. As a result, the imposition of additional qualification requirements, or new binding staff-to-child ratios, will likely increase difficulties experienced in recruiting and retaining staff. Such changes risk decreasing the number of services available while increasing their cost and decreasing their quality.*

RECOMMENDATION 7.1

***Given the nature of outside school hours care, governments should not impose additional mandatory qualification requirements or binding staff-to-child ratios.***



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## 8 The ECEC workforce for children with additional needs

### Key points

- A range of government policies support the inclusion of children with a disability and children from culturally and linguistically diverse backgrounds in early childhood education and care (ECEC) services.
- Significant gaps exist between the ECEC opportunities for children with additional needs and those of other children. To reduce these gaps, priority needs to be given to children with additional needs in the implementation of the Council of Australian Governments' ECEC reforms.
- A substantial and increasing minority of children have additional needs, with around 4 per cent of children having chronic physical, intellectual or medical needs and 17 per cent speaking languages other than English in the home.
- Few data are available on the ECEC workforce for children with additional needs. This absence of data reduces governments' capacity to undertake effective policy development and workforce planning.
- Although diploma- and degree-qualified ECEC workers receive training in providing services to children with additional needs during their initial studies, many workers in mainstream ECEC services need better access to professional development programs to assist them to deliver high-quality services to these children.
- Extra support for children with high additional needs is generally provided by unqualified staff. Ensuring these staff can access relevant training would enhance workforce capacity and contribute to improved child development outcomes.
- Government funding for inclusion support is the main determinant of the number of inclusion staff who are employed. Funding is generally provided on a short-term basis, is received by services after a lag, and is onerous to apply for and maintain. All of these factors are barriers to recruiting and retaining additional needs staff.
- To attract sufficient numbers of workers so that children with additional needs can fully participate in ECEC programs, and to replace staff while they attend relevant training, additional government funding for inclusion support will be required.
- A variety of allied health professionals provide early intervention support for children with additional needs. Part-time hours, professional isolation and limited career paths all contribute to shortages of such professionals, with particular difficulty recruiting speech pathologists. In addition to addressing concerns about professional support and career paths, early intervention services will need sufficient funding so that they can pay market wages to these professionals.

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## 8.1 The ECEC workforce for children with additional needs

Many children, particularly those with a disability and those from culturally and linguistically diverse (CALD) backgrounds, need additional support to access early childhood education and care (ECEC) services.<sup>1</sup> This places particular demands on the mainstream workforce, and creates a need for different specialist workers to cater to children's specific needs. Many Indigenous children may also need extra support and tailored services — the workforce requirements of early childhood development (ECD) services for Indigenous children are considered in chapter 14.

While governments have agreed that 'the full participation of children with additional needs and their families involves enabling their initial access as well as supporting their day-to-day participation in the program' (COAG 2009f, p. 49), study participants confirmed that this is not always occurring in practice (for instance, Robert Schneider, sub. DR104). Indeed, it appears likely that some of the ECEC goals agreed by the Council of Australian Governments (COAG) 'may prevent services from providing other early childhood services to children with a disability or with special needs' (MCEECDYA 2011b, p. 18). Meeting the COAG ECEC goals for children with additional needs will therefore require additional resources being allocated to the inclusion and support of these children — these needs are discussed in the remainder of this chapter.

### Policy focus on inclusion

Over time, the focus of service provision for children with additional needs has shifted towards inclusion (Petriwskyj 2010). Indeed, a variety of laws prevent ECEC services from discriminating against children with additional needs. For instance, the *Disability Discrimination Act 1992* (Cwlth) prevents ECEC services from discriminating against a child with a disability (for instance, by refusing enrolment), unless including the child would cause unjustifiable hardship to the service.

Study participants strongly supported the inclusion of children with additional needs in mainstream ECEC services (for instance, Ethnic Communities Council of Queensland, sub. 58; Health and Community Services Workforce Council, sub. 56; KU Children's Services, sub. 26).

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<sup>1</sup> Though the child protection workforce is outside the scope of this study, 'children in, or at risk of entering, the statutory child protection system ... are a particularly vulnerable group of children and [are also] likely to require additional supports' (Queensland Commission for Children and Young People and Child Guardian, sub. DR184, p. 3).

Gowrie SA emphasised that inclusion is generally preferred by families.

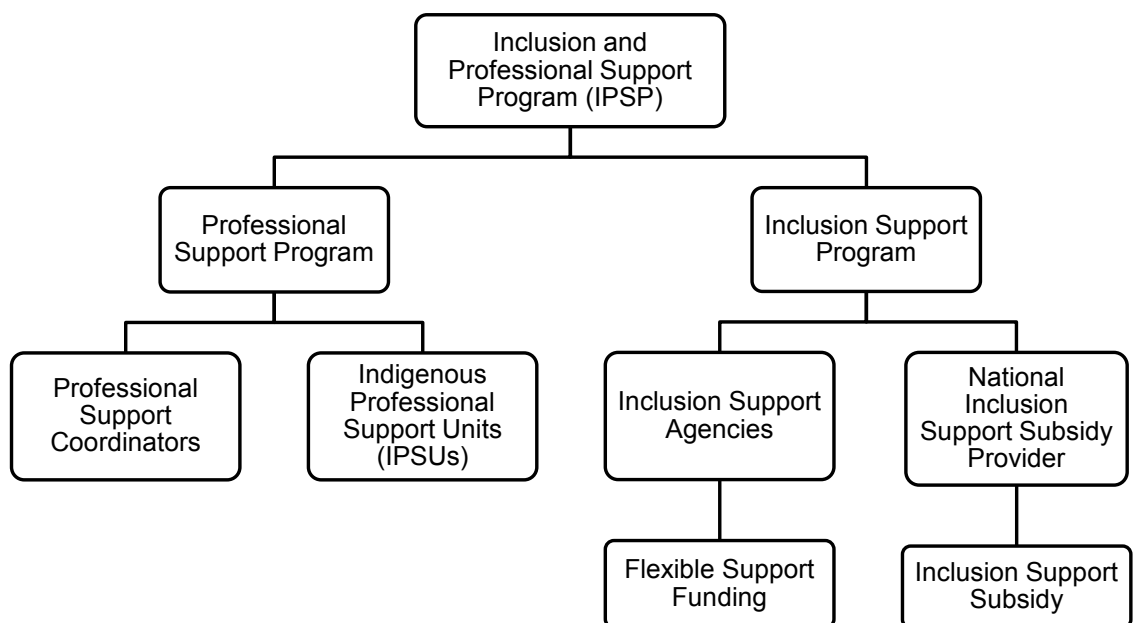
Integration into mainstream services with the appropriate specialised support from qualified health professionals should be a goal. This is often what families want as opposed to ‘targeted’ services for children who are ‘different’. (sub. 40, p. 1)

Families of children with a disability who attend mainstream childcare services report that it has a range of social and developmental benefits for their children (MAC:SWD 2009). As well as benefiting children with additional needs, inclusion also benefits typically developing children, by helping them to understand difference in others, to develop sensitivity and to become aware of their own strengths and weaknesses (Allen and Cowdery 2005; NPDCI 2009).

Governments in Australia have a number of programs to support inclusion of children with additional needs in ECEC services. The largest of these is the Inclusion and Professional Support Program, funded by the Department of Education, Employment and Workplace Relations (DEEWR) (box 8.1), which provides support to long day care, family day care and certain other ECEC services.

#### Box 8.1 The Inclusion and Professional Support Program

The Inclusion and Professional Support Program (IPSP) provides a range of inclusion and professional support measures to approved childcare services and to services that receive budget-based funding from the Australian Government (see appendix F for explanation of funding and approval mechanisms). The IPSP consists of a number of elements (see figure below):



(Continued next page)

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**Box 8.1** (continued)

The Professional Support Program funds Professional Support Coordinators and Indigenous Professional Support Units in each state and territory (see chapters 10 and 14 for more details).

The Inclusion Support Program seeks to improve access to child care for:

- children from CALD backgrounds, including children from a refugee or humanitarian intervention background
- children with ongoing high support needs, including children with a disability
- Indigenous children.

The Inclusion Support Program provides funding for Inclusion Support Agencies (ISAs), and for the National Inclusion Support Subsidy Provider to administer the Inclusion Support Subsidy (ISS). The ISS is 'paid to childcare services as a contribution towards the costs associated with including a child or children with ongoing high support needs in child care' (DEEWR 2011k, p. 1). Children with high support needs are typically those with serious disabilities, but also those from a refugee or humanitarian intervention background. Eligibility for the ISS does not mean an automatic entitlement to ISS funding (because the ISS budget is capped, some eligible children can miss out). ISS payments are limited to \$16.43 per hour for a maximum of 25 hours per week (or five hours per day) for children in long day care, and less for children in family day care and in-home care.

There are 67 ISAs located throughout Australia. They employ inclusion support facilitators to provide advice to approved childcare services on building an inclusive environment for children with additional needs. The ISAs also administer flexible support funding, which can assist services to employ extra staff or to fund specialist training. However, as with the ISS, eligibility for flexible support does not mean an automatic entitlement to flexible support funding. Time-limited bicultural support is also available, and may include onsite or phone language assistance and advice on cultural practices that will help services to develop a good relationship with a child's family.

Contracts for the delivery of the IPSP are in place until 30 June 2012. The structure and operation of the IPSP for the period 2012–15 are currently under consideration, although the Australian Government has ruled out making major changes.

*Sources:* DEEWR (2010e; 2011k; 2011j; sub. 86; sub. DR301).

Similarly, state, territory and local governments support the inclusion of children with additional needs in preschool services. For example, children in Victoria with severe disabilities can access Kindergarten Inclusion Support Packages (DEECD 2010f), those in South Australia can attend Inclusive Preschool Programs (Government of South Australia, sub. 66) and those in Queensland receive support through the Non School Organisations Program (Queensland Government, sub. DR360). In New South Wales, the Supporting Children with Additional Needs

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(SCAN) program assists children with additional needs to attend state-funded preschool, vacation care and occasional care services (Community Services NSW 2010).

In some cases, local governments are also involved in providing ECD services for children with additional needs. For example, in Victoria, more than half of local councils ‘provide or support early intervention services for children with a disability or development delay’ (Municipal Association of Victoria, sub. 68, p. 8).

While children with additional needs are included in mainstream services wherever possible, there are also a number of specialist early childhood and early intervention services that cater for children with particular physical and sensory disabilities or behavioural disorders. Children may attend these services in addition to, or in place of, mainstream ECEC services.

The growing movement towards integration of ECD services also helps to support inclusion, as co-located and integrated services can ‘enhance opportunities for clinical discussion and appropriate and timely referral’, which is of particular importance for children with additional needs (Victorian Association of Maternal and Child Health Nurses, sub. 15, p. 1). Integrated services can also be of particular benefit to children with disabilities who are also from a CALD or Indigenous background (Institute of Early Childhood, Macquarie University, sub. DR158).

## **Workforce to support inclusion**

In order to include children with additional needs, mainstream workers need skills in inclusive practice and training in appropriate ways of working with children with a range of different needs. Without such skills, they may not be able to provide programs that are beneficial to children with additional needs (Mohay and Reid 2006). The preparation and skills of the mainstream ECEC workforce are considered in section 8.4.

In addition to the mainstream workforce, two main groups of workers are involved in providing services for children with additional needs. They are:

- inclusion support staff, including
  - workers with few or no relevant qualifications, such as inclusion support workers, additional educators and aides
  - other inclusion staff, such as inclusion support facilitators and bicultural support workers

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- specialist professionals, including
    - education professionals, such as special education teachers
    - allied health and early intervention professionals, such as speech pathologists, child psychologists, physiotherapists and occupational therapists.

Very few data are available on any of these groups of workers. Although DEEWR provides a large share of the funding for inclusion programs in ECEC services, it collects few data on the number of children receiving additional support (DEEWR 2010e) or the characteristics of the workers employed using those funds. The National Early Childhood Education and Care Workforce Census recorded 8266 workers, or around six per cent of the ECEC workforce, as ‘other contact workers’. This includes disability support workers but also other workers who provide additional or supplementary services for children, such as dance teachers, music therapists, librarians or speech therapists. The number and characteristics of inclusion support workers therefore remain unclear.

There are also very few data on early intervention professionals for children with additional needs. This absence of data may partly be due to variations in the nature and understanding of early intervention (box 8.2), and the growth of early intervention services in response to many different and complex demands (Disability Services Commission, sub. 76). In addition, the absence of data on allied health professionals in ECD services may reflect that only a small proportion of such workers are employed in dedicated ECD settings. However, regardless of the type of specialist support, early intervention or allied health service delivered to children, there are few data on the number of workers involved or on their qualifications or other characteristics.

In the absence of such data, governments appear to have limited capacity to undertake effective policy development and planning for the workforce for children with additional needs. Enhancing data collections — particularly the National Early Childhood Education and Care Workforce Census — to separately identify staff whose primary role is to provide services for children with additional needs would assist in this regard.

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**Box 8.2      Considering the workforce for early intervention**

Study participants varied considerably in their use of the terms early intervention, inclusion support, and family support, demonstrating that clear definitions of these terms have not yet been established (Dolan, Pinkerton and Canavan 2006). Indeed, the wide range of different services provided under the banner of early intervention means that ‘the early childhood intervention field is complex and bewildering for families and services alike’ (Disability Services Commission, sub. 76, p. 7). Nevertheless, early intervention programs can be broadly grouped into two types:

- programs for children with disabilities
- general early childhood programs for children deemed to be at risk (Petriwskyj 2010).

Programs for children with disabilities typically employ special education teachers and a range of other professional early intervention workers and allied health professionals, including occupational therapists, physiotherapists, speech pathologists, and psychologists (Disability Services Commission, sub. 76).

In contrast, general early childhood programs for children at risk are typically provided in mainstream settings. The workforce needs of these settings are considered in chapters 5 to 7. Similarly, many family support programs aim to promote the development of children at risk, and the workforce for family support services is discussed in chapter 13.

## **8.2      Demand for ECEC workers for children with additional needs**

While a small number of families of children with additional needs may choose to purchase additional ECEC support services, government policies and the availability of government funding are the major determinants of demand for both inclusion support staff and specialist professionals in ECEC services.

To some extent, the number of children with additional needs also affects demand for these workers. Around 4 per cent of children have identified chronic physical, intellectual or medical needs and 17 per cent of children speak languages other than English in the home (although many of these children do not require significant additional support to access ECEC services). The prevalence of additional needs varies by geographic location, with children living in the most socio-economically disadvantaged communities and in very remote communities more likely to be developmentally vulnerable (CCCH and Telethon Institute for Child Health Research 2009).

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The number of children with additional needs has been increasing over time, with particular increases in the diagnosed prevalence of childhood disability and severe disability (AIHW 2009c). For example, while reliable data about autism are scarce, the prevalence rate of autism among Victorian children in the 0–6 year age cohort has been estimated at 27 per 10 000. Since the 1990s, this rate has been steadily increasing (DHS 2009). Around 15 per cent of 4- to 5-year-old children have speech or language impairments (McLeod and Harrison 2009). Moreover, because children with disabilities may develop differently or more slowly, they may need to access more ECD services (Vision Australia, sub. 57). For instance, in some jurisdictions children with delayed cognitive or social development may attend preschool for an extra year (DEECD 2010c).

However, funding for inclusion support or early intervention services is not provided to all children with additional needs.

- As noted in box 8.1, the inclusion support subsidy (ISS) is only available when children have ‘high support needs’ (typically a serious disability).
- Similarly, state and territory funding for inclusion in preschool is not necessarily provided to all children with additional needs. For example, Victoria’s Kindergarten Inclusion Subsidy explicitly excludes ‘children who have learning difficulties or developmental delays’ (DEECD 2010f, p. 6).
- The Australian Government has funded early intervention services for children with autism for several years (FaHCSIA 2010c), and for children with a sight or hearing impairment, Down syndrome, cerebral palsy or Fragile X syndrome since 1 July 2011 (FaHCSIA 2011a). Children with other disabilities fall outside these funding criteria and thus do not have the same access to early intervention support.
- Appropriate outside school hours care for teenagers with a disability is also ‘an area of very high unmet need’ (FaHCSIA 2011c).

These limits on funding mean that demand for workers to provide inclusion support or early intervention services is primarily determined by funding levels and guidelines, rather than by the number of children who need additional support. Another implication is that children with additional needs are underrepresented in ECEC (Ellis 2010). This is despite the ‘need for strong, rich early childhood programs [being] most acute in remote Indigenous communities and other communities catering for children from low [socioeconomic status] and/or CALD communities’ (Professor Alison Elliott, sub. 70, p. 1).

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## Demand for inclusion support staff

### *Demand for inclusion support workers*

Because the Inclusion Support Program is the key mechanism for providing funding for inclusion support workers in many ECEC services, its structure greatly influences the number of workers employed to provide inclusion support and the characteristics of those workers.

As mentioned above, funding levels and guidelines are the main constraint on the number of workers employed to provide inclusion support. In addition, the onerous processes for obtaining inclusion support funding also limit demand for inclusion support workers.<sup>2</sup> In order to obtain the ISS (see box 8.1), ECEC services are required to prepare a service support plan (SSP). Rather than addressing the needs of a particular child or group of children, the SSP must examine all aspects of a service's operations that may affect its capacity to support inclusion. Thus 'a child with additional needs may trigger an SSP but is not the focus of the SSP' (KU Children's Services 2009, p. 8). Developing such a comprehensive SSP can mean that services can face considerable delays in obtaining ISS payments, and must regularly update SSPs, irrespective of any changes in the needs of children with additional needs. Both of these factors add to the administrative burden of the Inclusion Support Program, thereby reducing demand for inclusion support workers.

Funding levels also influence the characteristics and skills of the workers employed to provide inclusion support. In particular, while the ISS is considered by the Australian Government to be a *contribution towards* the cost of an additional worker, in practice many ECEC services consider it to be a *payment for* the additional worker. This interpretation could be supported by Australian Government documents that suggest that the Inclusion Support Program 'aims to *remove* the barriers to access for children with additional needs' (DEEWR 2011j, p. 8, emphasis added). However, in 2010 the ISS only covered '71 per cent of the indicative cost of a service engaging an additional educator' (DEEWR, sub. DR301, p. 16).

Similar concerns about the adequacy of funding levels were expressed about state preschool inclusion programs as, for instance, 'NSW SCAN funding generally does not cover the cost of an additional childcare worker to work directly with a child

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<sup>2</sup> The Inclusion Support Program refers to these workers as 'additional educators'. While acknowledging that they work with all children in an ECEC service, not just those with additional needs, for reasons of clarity the Commission has chosen to refer to such workers as 'inclusion support workers'.

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[with additional needs]’ (UnitingCare Children, Young People and Families, sub. 62, p. 26).

The low hourly rate of the ISS and similar state and territory government subsidies therefore has the effect of confining workforce demand to workers who are young or unqualified or both. Study participants attested to this limitation, suggesting that young, inexperienced workers are selected for inclusion support roles because of their willingness to work for the low wages offered (Childcare Association of WA, sub. 73). This led participants to express concerns about the skills of the inclusion support workforce and the quality of care they can provide (for instance, Australian Childcare Alliance, sub. 71; Gowrie Victoria, sub. 41).

Current funding for additional needs workers does not adequately cover the ‘above’ ratio staffing numbers, nor the skill set required for childcare workers providing education and care for children with additional or specialised needs. (GoodStart Childcare, sub. 34, p. 7)

The service structure and current funding models within early childhood services do not adequately support care that reflects the individual needs of children, especially those with complex support requirements. (City of Greater Geelong, sub. 20, p.14)

It is not uncommon for ... less qualified and able staff being assigned to work with [additional needs] children, leading to a situation of managing behaviour rather than the implementation of supportive programs by skilled staff. (Community Connections Solutions Australia, sub. 75, p. 15)

Though there are no regulatory barriers preventing services from offering higher wages and attracting more skilful workers, there are several reasons why most do not do so (see section 8.3 below).

Current funding levels and policy requirements therefore appear to be the primary driver of, and limit on, demand for inclusion support workers, both in terms of the number of workers employed and the skills of those workers.

### *Demand for other inclusion support staff*

Governments also determine the number of workers employed to advise and support ECEC services to include children with additional needs (such as inclusion support facilitators and bicultural support workers), without mandating qualifications for those roles. These workers therefore have a wide range of skills, qualifications and/or experience. While a number of study participants raised concerns about the qualifications and experience of inclusion support facilitators (for instance, Community Child Care Co-operative, sub. DR183), the Australian Government used anecdotal evidence to suggest that inclusion support facilitators ‘are highly qualified and experienced’ (DEEWR 2011j, p. 17). Demand for these workers

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therefore appears to vary according to the way in which inclusion program guidelines are applied in different regions.

### **Demand for specialist professionals**

Early childhood special education teachers are typically employed in specialist early childhood services. Many of these services are attached to special schools and provide expert education and intervention for children with particular needs. For example, the Narbethong Special School in Brisbane provides early intervention and preschool services, as well as primary and secondary education to children who are blind or have severe vision impairment (Education Queensland nd). Some ECEC services for children with additional needs are being established independently of schools, such as the autism-specific early learning centre operated by KU Children's Services alongside a mainstream preschool (sub. 26). Demand for early childhood special education teachers is likely to continue to be concentrated in these specialist settings.

Early childhood special education teachers are also employed in advisory roles. For instance the Victorian government funds preschool field officers to 'facilitate the access and participation of children with additional needs ... in funded kindergarten programs, through the provision of consultative support, resourcing and advice to early childhood teachers and families. [They] are typically required to hold an early childhood teaching qualification and often have additional special education qualifications' (Victorian Government, sub. 87, p. 6).

In addition to determining demand for early childhood special education teachers, governments also control both the number and types of workers employed in early intervention programs. By setting program funding and eligibility criteria, and in some cases requiring services to be delivered by registered practitioners, governments determine the number and type of allied health and early intervention professionals employed in early childhood services.

At the individual level, recruitment decisions are largely made by the non-government organisations (NGOs) that act as early intervention providers. These organisations therefore determine the personal attributes and skills that are demanded of specialist inclusion professionals. For example, in its Macarthur Early Childhood Intervention Service, Mission Australia has chosen to employ staff from a range of allied health disciplines, including speech pathology, physiotherapy and occupational therapy (sub. 12). Similarly, other study participants recognised that access to a range of professionals is particularly important for children with additional needs and their families (Benevolent Society, sub. 49; Vision Australia,

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sub. 57). Because most staff work with children with a wide range of needs, they 'are required to be flexible and creative in service delivery, particularly when working in geographically isolated areas' (NSW Government, sub. 79, p. 9).

Demand for allied health and early intervention professionals will continue to increase in response to the increased prevalence of childhood disability, a greater awareness of cultural barriers to inclusion, and the expansion of early intervention programs. The proposed National Disability Insurance Scheme is also likely to increase demand for such workers, particularly as it will include a range of early intervention services (PC 2011b). The growing number of integrated ECD services (chapter 15) will also increase demand for allied health professionals who are skilled in working with children and families. As a result, such professionals are likely to become an even more 'scarce resource' (Government of South Australia, sub. 66, p. 6).

## **8.3 Supply of ECEC workers for children with additional needs**

### **Supply of inclusion support staff**

As with other parts of the ECD workforce, the supply of inclusion support workers, inclusion support facilitators and bicultural support workers depends on the relative attractiveness of the role, which in turn largely depends on the remuneration and conditions offered. Pay and conditions are relatively unattractive, with study participants from many jurisdictions reporting considerable difficulty in recruiting inclusion support workers (for instance, Childcare Association of WA, sub. 73; Disability Services Commission, sub. 76; Penrith City Council, sub. 74). In contrast, C&K Association reported little difficulty in filling such positions in Queensland or the ACT (sub. 52).

#### *Remuneration*

Many study participants considered the wages of inclusion support workers to be too low (C&K Association, sub. 52; Community Connections Solutions Australia, sub. 75; Early Childhood Intervention Australia (NSW Chapter), sub. 25; Penrith City Council, sub. 74; Southern Cross University and Early Childhood Australia (NSW) North Coast Branch, sub. 16). Support workers' wages are comparatively low, regardless of the comparator used. For instance, under the Children's Services Award 2010, a support worker employed for 25 hours per week (the maximum number of hours funded by the Inclusion Support Program) earns around \$400 per

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week, or around \$500 per week if employed on a casual basis. This is just over half of the average reported earnings for ECEC educators, although ECEC staff tend to work longer hours. However, as noted elsewhere in this report, ECEC contact workers' earnings are themselves considered to be relatively low.

Remuneration levels for other inclusion support staff may also pose barriers to recruitment. For instance:

The Inclusion Support Agency has difficulty attracting and recruiting support staff as the positions are over prescriptive and have a low rate of remuneration when matched with the skills and knowledge required. (Penrith City Council, sub. 74, p. 7)

ECEC services could, in theory, supplement inclusion support funding with revenue from other sources to pay higher wages and employ more highly skilled staff. However, in practice most services have little capacity to do so. Many private ECEC providers already operate at a loss and non-profit providers make only a modest surplus (ABS 2010c). This suggests that services are unlikely to have the capacity to increase fees in order to employ more highly paid inclusion support staff.

Despite the low wages, inclusion support workers may remain in the sector in the short term because they want to help others or do something worthwhile (Martin and Healy 2010). As Kindergarten Parents Victoria noted in relation to ECEC workers in general:

While staff regularly report their love of working with children and families, at the end of the day this does not pay the mortgage or necessarily provide the broader professional recognition that employees in any highly valued profession would ordinarily expect. (sub. 72, p. 11)

In order to achieve an adequate supply of skilled and capable inclusion support staff over the long term, employers may, in certain cases, need to offer higher remuneration.

Moreover, because the inclusion support funding is only a contribution towards the cost of an additional worker (see box 8.1), ECEC services attended by a child with high care needs are already contributing to the cost of including that child.

The current practice of minimal funding to mainstream services to include children with a range of high support developmental and medical needs is largely inadequate. As a result, organisations or individual services that are committed to the inclusion of children with additional needs pay dearly for their beliefs and practices. The more children are included, the higher the cost and the larger the deficit that a service carries. ... Currently, KU subsidises the employment of our support staff by \$216,000 annually (\$46,000 in preschools and \$170,000 in long day care services) as both the

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Commonwealth and State funding does not cover the hourly rate of pay for these staff. (KU Children's Services, sub. 26, pp. 3–5)

ECEC services have been required to fund the wages of inclusion support workers upfront, and seek reimbursement from the National Inclusion Support Subsidy Provider at the end of the quarter (though, as discussed below, this is scheduled to change from October 2011). In addition, until a service support plan has been completed (which, as discussed above, can be onerous) and payment of the subsidy has been approved, the service may be required to cover the full cost of employing an additional worker.

Relying on ECEC services to fully or partly fund the inclusion of children with additional needs can make them unwilling to enrol those children:

The subsidy amount is inadequate as it places financial burden on the service including the child. In practice, it makes services reluctant to enrol children with high and ongoing support needs. (Child Australia, sub. 78, p. 13)

In short, because of inadequate fiscal and structural support for the inclusion of children with disabilities in Australian early childhood services, the majority of centers in this study were left with four options when asked to enrol a child with a disability: (1) refuse enrolment; (2) attempt to secure limited government funding in a time-consuming, complex and inflexible process; (3) struggle to fully include him or her with little support or funding; and (4) devote a great deal of energy into fund-raising activities to fund the full-time employment of one or more specially trained staff. (Grace et al. 2008, p. 25)

Many children with high and ongoing support needs are being excluded or offered places for restricted hours as services are unable/unwilling to fund the gap between [inclusion support subsidy] funding and required wage payments. (Child Australia, sub. DR168, p. 3)

The few services that are willing to bear these costs can often be placed under even greater financial pressure, as children with additional needs become 'clustered' at those services. For instance, outside school hours care services in 'schools with special education units may have a more significant client base eligible for [inclusion] support [and] the more additional workers that a service employs, the greater the financial impact on the service' (Queensland Children's Activity Network, sub. DR357, p. 3). Such clustering can also place strain on staff (NOSHSA, sub. DR356), and lead to increased staff burnout (United Voice, sub. DR268).

With COAG having agreed to implement considerable reforms in the sector (chapter 3), the cost pressures on ECEC services are expected to increase. This is likely to further reduce their willingness and capacity to divert other funds or fundraise to subsidise inclusion. Therefore, if ECEC services are to continue to be

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accessible to children with high care needs, additional funding will be required (see recommendation 8.1 below). There are likely to be considerable returns on this investment, as children who are disadvantaged or who have additional needs stand to gain the most benefit from quality ECEC services (appendix C).

## *Conditions*

### *Working hours*

Because the inclusion support subsidy is available for a maximum of 25 hours per week, most inclusion support workers are employed on a part-time or casual basis. Some study participants, such as the Childcare Association of WA (sub. 73) considered that the part-time or casual nature of these roles adds to the difficulty in recruiting inclusion support workers.

The level of funding is for a predetermined number of hours (5 hours), it doesn't relate to the need for a full day in the service, or a full days employment. In addition the hourly subsidised rate is lower than actual salary costs. (Gowrie Victoria, sub. 41, p. 7)

Despite these concerns, it is not clear that increasing the number of funded hours would significantly increase the supply of inclusion support workers. The positive effect of increased hours on the labour supply decision of some inclusion support workers could be partly offset by a negative effect on the decisions of others. For some workers, the requirement to work longer hours would be perceived as negative, for two main reasons.

- First, part-time work suits certain workers, as it allows them to balance work and family commitments. While few data are available on the work hour preferences of inclusion support staff, C&K Association suggested that casual, part-time work is attractive to staff currently employed in support roles (sub. 52). If workers who have chosen to work in inclusion support roles have a preference for part-time work or for the flexibility that casual employment can provide, they may be reluctant to remain in those roles if full-time work were required.
- Second, some low paid part-time workers face very high effective marginal tax rates if they move to full-time work, particularly through the loss of health care cards and other entitlements (Bodsworth 2010). In the absence of tax policy reforms, inclusion support workers would face such high effective marginal tax rates that they would be unlikely to increase their working hours, even if the number of funded hours increased.

However, increasing the number of funded hours does not imply that all workers would be required to increase their working hours. A full-time role could be shared by two part-time staff members, for example.

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There may also be another rationale for increasing the number of funded hours of inclusion support. As discussed in preceding chapters, through the National Partnership Agreement on Early Childhood Education (NPA ECE), governments have committed to providing access to 15 hours per week of preschool education to all children in the year before they start school. ECEC services can set their own preschool timetables, so a preschool program could potentially be provided in two six-hour sessions and one three-hour session per week. However, because funding from the Australian Government for inclusion support is available for a maximum of five hours per day, there is scope for a mismatch between preschool programs and the availability of inclusion support in approved childcare services. To the extent that limited hours of funding for inclusion support prevent children with additional needs from participating in preschool programs in approved childcare services, they work against the objectives of the NPA ECE. Similar issues can also arise in preschools funded by state and territory governments, many of which offer full-day programs.

In light of this tension, the Commission considers that additional funding flexibility will be required in order for preschool programs to be delivered to all children with high support needs. Inclusion subsidies should be made available whenever children with high support needs are attending preschool programs, regardless of the duration of the preschool sessions (see recommendation 8.1 below). Such a change would have relatively small cost implications for governments, while increasing access to preschool for children with additional needs.

### *Job security*

Most inclusion support workers are employed on short-term contracts or on a casual basis. This situation has arisen because of the structure of the Inclusion Support Program, which provides time-limited funding, generally for a maximum of 12 months. Funding can also be withdrawn if a child stops attending the ECEC service. While these measures help to ensure that funding is directed to children with the greatest need, they create uncertainty for ECEC services and mean that services prefer to employ inclusion support workers on short-term contracts. Similar issues arise for state and territory inclusion programs, as children typically only require support for one year of preschool.

The insecure nature of inclusion support work was raised as an issue by several study participants (for instance, Penrith City Council, sub. 74), and appears to have a negative effect on the supply of inclusion support workers.

... workers employed in ECEC services under the SCAN and ISS programs are employed on short term contracts. ... Lack of job security and uncertainty often leads

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staff to look for alternative employment (often before the contract is finished) and results in lack of staffing continuity. This can impact on the outcomes of children who need additional support. (UnitingCare Children, Young People and Families, sub. 62, pp. 26–27)

However, despite employing support workers on short-term contracts, some services have retained the same support staff for many years (for instance, KU Children’s Services, sub. 26). C&K Association suggested that ‘the majority of additional needs assistants stay in the position whilst the funding is applicable’ (sub. 52, p. 6). Retaining staff in this manner is likely to be easier for larger organisations like KU Children’s Services and C&K Association than for small, stand-alone facilities. Another relatively large employer, Northcott Disability Services, considered that having a variety of full-time, part-time, casual and contract employment opportunities can benefit both individual employees and employers (sub. 18). Lack of job security does appear, however, to affect the attractiveness and stability of the inclusion support workforce in small services.

### *Regulatory burden*

The ability of the workforce to include children with additional needs is also affected by changing funding criteria and by the onerous nature of the application process.

The eligibility criteria have become increasingly restrictive, which has rendered a significant number of educators (who had previously had approval to access ISS) unable to continue accessing the subsidy. This can impact on the ability of such educators to continue providing care to children with additional needs, as the subsidy is often crucial to ongoing sustainability due to educators being unable to carry the full complement of children allowed under state regulations. There can be an excessive amount of ‘red tape’ for ISS applicants, which is a barrier to those initially applying and is particularly obstructive to reapplication for funding for those children with unchanging diagnosed additional needs. (Family Day Care Australia, sub. 61, p. 12)

Programs such as [the Inclusion Support Program] have a high administrative component related to the attraction and retention of the funding. For the workforce this means employing staff at a lower rate of pay or providing less hours of employment, finding time to complete administrative tasks and learning the skills required to complete and report on funding agreements. (Gowrie Victoria, sub. 41, p. 7)

Another pertinent factor in the Australian context is the complexity of federal and state government funding schemes designed to assist in the inclusion of children with disabilities in early childhood services. These schemes have varying eligibility and accountability criteria, are poorly understood by most parents and early childhood staff, and are resource intensive. (Grace et al. 2008, p. 19)

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The complex nature of inclusion funding interacts with the other factors discussed above (such as low remuneration, limited working hours and poor job security) to limit both the supply and capacity of the inclusion support workforce. Taken together, these factors suggest that the current structure, operation and funding of inclusion programs limit the effectiveness of the inclusion support workforce.

In order to successfully include all children with additional needs, early childhood inclusion programs need additional funding and administrative simplification. Funding increases have already been provided in some jurisdictions, with the Victorian Government providing an additional \$2.4 million per year for Kindergarten Inclusion Support Services from 2011-12 (DTF 2011). Administrative simplification is also underway in some programs.

Currently services eligible for ISS must wait three months before they can claim the cost of employing an additional educator. To address this administrative burden on services, DEEWR is working with FaHCSIA to develop an online application and claims system for ISS using the Child Care Management System. The system will enable services to claim ISS when they submit their CCB attendance records and so minimise their out of pocket expenses. ... The online system will commence from 3 October 2011. (DEEWR, sub. DR301, p. 17)

Similarly, the New South Wales Government ‘agrees that there is scope to streamline and simplify arrangements to access funding for children with additional needs’ (sub. DR326, p. 7).

Taken together, the short-term and administratively complex nature of inclusion programs and the low levels of remuneration for inclusion support staff will inhibit the ability of ECEC services to fully include all children with additional needs, and thus to benefit from the COAG ECEC reforms.

#### RECOMMENDATION 8.1

***To ensure that children with additional needs benefit fully from the COAG ECEC reforms, governments should modify the structure and operation of inclusion programs and reassess funding levels so that such programs:***

- ***provide sufficient funding and support to enable the inclusion of all children with additional needs***
- ***cover the full cost of employing inclusion support workers at market wages***
- ***provide funding for an inclusion support worker to enable children with high support needs to attend preschool for 15 hours per week in the year before school***
- ***have simple and streamlined application processes, which do not place an undue burden on ECEC services***

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- *make funding available to ECEC services in a regular and timely manner*
  - *provide multiple-year funding, requiring re-application or adjustment only where there is a significant change in the level of need of a particular child or cohort of children.*

At the same time as the Commission made this recommendation in its draft report, the Australian Government published a discussion paper on the future of the Inclusion and Professional Support Program (IPSP). While the Australian Government has undertaken to take account of the feedback it receives in response to the discussion paper (DEEWR, sub. DR301), it has ruled out major changes to, or funding increases for, the program (DEEWR 2011j).

However, this does not address the Commission's concern — generally shared by stakeholders (box 8.3) — that current funding arrangements and levels will not be sufficient to ensure that all children with additional needs benefit fully from the COAG ECEC reforms. Providing adequate inclusion funding would lead to large potential benefits for these children for a relatively modest cost — a cost which could reasonably be met by allocating a small share of the substantial and increasing government investment in ECEC (see chapter 3) to this purpose.

#### *Training and development for inclusion support staff*

##### *Training and development for inclusion support workers*

As noted above, inclusion support workers are not required to have any formal training in ECEC or disability services. While a number of study participants reported employing qualified assistants (for instance, C&K Association, sub. 52), this does not appear to be widespread. The absence of training prompted concern among study participants.

Further consideration needs to be given to the education of Early Childhood Development workers in the area of additional needs beyond providing 'an additional pair of hands'. (GoodStart Childcare, sub. 34, p. 7)

In some cases, an 'additional pair of hands' may be sufficient, particularly when support workers work alongside qualified staff and possess important personal traits, such as empathy, patience and good communication skills. However, there is a case for ensuring that all workers in ECEC settings have a basic knowledge of child development and ECEC practice. The nature of inclusion support work also suggests the need for a foundation knowledge of relevant disability practice and parent partnership, as 'working closely with families is an essential element of high-quality services for children with disabilities' (Spiker, Hebbeler and Barton 2011, p. 239).

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**Box 8.3 Study participants' comments on the structure and funding of early childhood inclusion programs**

Many study participants strongly supported the Commission's recommendations on the structure and operation of early childhood education and care inclusion programs (for instance, Australian Education Union, sub. DR167; Child Australia, sub. DR168; City of Casey, sub. DR172; Dawn Chadwick, sub. DR191; Community Child Care, sub. DR212; Disability Services Commission, sub. DR364; Hume City Council, sub. DR325; Independent Education Union of Australia, sub. DR163; KU Children's Services, sub. DR188).

ACCS supports the Commission's recommendations that children with additional needs fully benefit from the early childhood reforms. Funding to cover the full cost of inclusion support staff at market rates is imperative to achieving this important objective. Application and funding processes should be streamlined and allow for multi-year funding that provides inclusion support for all the hours a child with additional need attends a service. (Australian Community Children's Services, sub. DR153, p. 3)

We strongly support recommendation 8.1, that reforms to processes and funding are needed to ensure that children with additional needs are provided with access to ECEC and to the support needed within these settings. (Institute of Early Childhood, Macquarie University, sub. DR158, p. 2)

A number of other participants supported the Commission's recommendations in principle, but were more reticent when it came to making a financial contribution towards achieving those goals. For instance, New South Wales:

... supports the greater participation of children with additional needs in early childhood education programs. At the same time, the financial implications of the first three parts of this recommendation are potentially significant for government. (NSW Government, sub. DR326, p. 6)

One way of increasing the level of training of inclusion support workers would be to include them in the qualification requirements contained in the National Quality Standard (NQS). Requiring these workers to obtain a Certificate III in Children's Services or a similar qualification would be congruent with the objectives of the NQS, particularly because inclusion support staff work not just with the child with additional needs but with all the children in a room, and the NQS aims to improve the quality of care for all children. Indeed, ensuring that inclusion support workers are qualified is arguably more important than requiring such qualifications of the mainstream workforce as, by definition, inclusion support staff work in the most demanding settings, with children with the highest support needs.

However, there would also be considerable disadvantages in requiring inclusion support workers to obtain qualifications. Principally, such a requirement is likely to reduce the supply of inclusion support workers at a time when demand for such workers is increasing. Under current wage structures, and with most inclusion

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support workers employed on a casual or part-time basis, incentives for them to obtain the newly required qualifications are likely to be inadequate.

In light of this, instead of requiring qualifications, the Commission considers in-service training to be the most effective way of providing learning and development opportunities for inclusion support workers. This could, for instance, involve ensuring that professional support coordinators provide a full range of training opportunities for inclusion support workers.

Because funding for inclusion support is limited, ECEC services have little incentive to pay for training of inclusion support workers, or to pay alternative staff to backfill positions. Enabling all inclusion support workers to access these expanded training opportunities will therefore require governments to provide funding support, both for the costs of training and backfill of staff.

RECOMMENDATION 8.2

***To provide inclusion support staff with the necessary skills to ensure children with additional needs benefit fully from the COAG ECEC reforms, governments should provide additional, priority funding to cover both the cost of relevant in-service training in child development, disability and ECEC, and the cost of replacement staff.***

While study participants generally welcomed the Commission's recommendation on funding and in-service training for workers in inclusion support programs, they also emphasised the importance of specialist professionals.

... increased access to specialised and suitably qualified staff who are able to work alongside educators would be of more benefit than employing an extra casual staff member. While educators need support and assistance to build capacity and understanding on how best to work with, educate and include children with additional needs, it needs to be recognised that for some children their needs are so specific that additional knowledgeable staff are needed. (Gowrie SA, sub. DR105, p. 3)

The Commission recognises this, and has also made a recommendation designed to improve the supply of specialist professionals working in ECD services (see recommendation 8.3 below).

*Training and development for other inclusion support staff*

As noted above, other inclusion support staff have a wide range of skills, qualifications and/or experience. For instance:

There is no prescribed qualification for an [inclusion support facilitator] and consequently [they] come with a broad range of professional qualifications and/or

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experience. These include professional child care workers, teachers, social workers, aged care workers, disability workers, therapists and social workers. (NPSCA 2009, p. 9)

Inclusion support facilitators have therefore completed a wide range of initial training courses, and have varying professional development needs. Many of these needs are being met, although scope for improvement remains (NPSCA 2009).

Community Child Care Co-operative considered that all inclusion support facilitators should be required to have a degree or diploma qualification (sub. DR183). However, to the extent that the Australian Government achieves its stated objective to ‘better define required outcomes and service level standards’ for inclusion support agencies (DEEWR 2011j, p. 17), such concerns should become less pressing.

There is also considerable diversity in the background and training of bicultural support workers. These workers bring knowledge of another culture and language that was primarily obtained without formal training. For instance, the 378 bicultural support workers in New South Wales come from 110 different cultural and linguistic backgrounds (Community Child Care Co-operative, sub. DR183). Many bicultural support workers have completed a Certificate III in Children’s Services, while others hold professional qualifications from overseas.

... [in] the bicultural support pools ... there are a significant number of women from CALD backgrounds who were teachers in their country of origin. (Ethnic Communities Council of Queensland, sub. 58, p. 11)

Thus, bicultural support workers also have varying professional development needs. As with inclusion support facilitators, many of these needs are addressed through current programs. For instance in New South Wales, bicultural support workers ‘are offered a range of professional development ... in areas such as inclusive practices, Aboriginal perspectives, occupational health and safety, the Early Years Learning Framework, child protection and behaviour management’ (Community Child Care Co-operative, sub. DR183, p. 10).

## **Supply of specialist professionals**

A number of study participants reported particular difficulties in attracting and retaining early childhood special education teachers and allied health and early intervention professionals (Batchelor Institute, sub. 46; Early Childhood Intervention Australia, sub. DR157; Professor Alison Elliott, sub. 70; Northcott Disability Services, sub. 18; Penrith City Council, sub. 74; RRACSSU Central, sub. 42). The widespread shortage of speech pathologists provides a prominent

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example (box 8.4). Relatively low remuneration, unattractive working conditions and scarce training opportunities all contribute to this situation.

There was also concern that current shortages may be exacerbated by possible future changes to qualification requirements, with consequent increases in waiting times and adverse effects on service quality.

Existing teachers and programs for early childhood students with disabilities may be at risk if teachers are required to demonstrate both early childhood and special education qualifications. (Western Australian Department of Education sub. 44, p. 11)

**Box 8.4      Speech pathologists are in limited supply throughout Australia**

There are currently around 3800 speech pathologists in Australia, of whom around 65 per cent work full time. Turnover is relatively low — each year around 6 per cent of speech pathologists leave the occupation, compared to the average for all occupations of 13 per cent.

Shortages of speech pathologists have been reported since 2003, although some improvement was noted in 2009.

Employers seeking to fill new graduate positions did not experience significant difficulty filling their vacancies and most reported attracting good candidate numbers from which to recruit. Employers recruiting experienced Speech Pathologists also reported that they generally filled their vacancies relatively easily compared with past years, although regional employers experienced more difficulty than metropolitan employers and shortages are apparent in regional locations. (Skills Australia 2010a, pp. 2–3)

The ageing of the population is likely to increase demand for speech pathologists (for instance, to provide rehabilitation services after a stroke), as would the introduction of the proposed National Disability Insurance Scheme. These factors suggest that workforce shortages are likely to persist in the medium term.

*Sources:* DEEWR (ndk); PC (2011b); Skills Australia (2010a); Speech Pathology Australia (sub. DR181).

*Remuneration of professionals*

Because early childhood special education programs are generally attached to special schools, teachers in these programs tend to have the same employment arrangements as their counterparts in special schools. Therefore, unlike in mainstream settings, there are few concerns about equality of pay and conditions between early childhood and primary school teachers. However, there are wider concerns about the supply of special education teachers in many jurisdictions (for example, New South Wales Parliament Legislative Council 2010).

There are widespread concerns about the remuneration and conditions for early intervention professionals (for instance, Early Childhood Intervention Australia,

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sub. DR157; Early Childhood Intervention Australia (NSW Chapter), sub. 25; NIFTeY NSW, sub. 36; Playgroup Queensland, sub. 9). To a large extent, the relatively low rate of remuneration springs from the structure of early intervention programs, many of which are delivered by NGOs. In many jurisdictions, workers employed directly by government receive higher salaries than those employed by NGOs, leading workers to move from early intervention programs to government-run services, such as community health centres.

The Commission therefore recommends that funding for ECD services for children with additional needs, and the wages of allied health and early intervention professionals who work in such services, be based on relevant market wages and conditions for equivalent positions (recommendation 8.3 below).

### *Working hours and conditions of professionals*

Several study participants expressed concern about the available working hours for allied health and early intervention professionals. In many cases, employment is only offered on a part-time basis, which can be relatively unattractive to such workers.

Many early intervention or integrated early childhood development services ... find it difficult to afford anything other than part-time positions for early intervention workers. In our experience, part-time positions are less appealing than full-time, and hence these tend to be filled by recent graduates, who then move on when they find a full-time position elsewhere, which is typically outside of the early childhood development sector, since services in this space generally experience similar funding constraints. In our view, until permanent, full-time positions become commonplace in the early childhood development sector, the development of its workforce will remain constrained. (Mission Australia, sub. 12, pp. 15–16)

Part-time working hours can also limit the ability of services to accept and supervise students and trainees, limiting future workforce capacity (KPMG 2008). To the extent that ECD services are constrained to offer working hours that do not suit the preferences of potential employees, they will be at a disadvantage in the labour market. Successful recruitment and retention will thus depend on funders and providers of early intervention and allied health services taking employee's preferences about working hours into account.

Working conditions and workloads can also affect the supply of early intervention professionals.

... case-loads are often high and the major (and increasing) demand for [early childhood intervention] services can make it a very stressful area in which to work, given need/demand far outstrips the current level of service provision available. Having children and families on long waiting lists, or being able to offer them only limited

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services or supports, can be a very difficult ethical issue for staff. (Early Childhood Intervention Australia (NSW Chapter), sub. 25, p. 2)

In a similar vein, Hume City Council (sub. DR325) considered that limited funding for inclusion support facilitators and preschool field officers contributes to growing workloads, inadequate services and long waiting lists. These factors can in turn affect staff satisfaction and retention.

### *Training for professionals*

#### *Training education professionals*

Specialised training programs and qualifications in early childhood education for children with additional needs are rare, and this rarity prompted concern on the part of study participants.

There are few if any early childhood teacher education courses that specialise in inclusion or early intervention. This is a serious omission. (Professor Alison Elliott, sub. 70, p. 3)

The shortage of formalized training in vision impairment is extremely concerning. There is just one formal qualification at the postgraduate level only, which specifically addresses vision impairment. This is run in New South Wales by the Royal Institute for Deaf and Blind Children's Renwick College through the University of Newcastle. Further, this program addresses education, but not early childhood health, family support or early intervention and development. (Vision Australia, sub. 57, p. 7)

While recognising that university courses in special education are required for the delivery of ECEC to children with additional needs, the Commission considers that broader issues relating to the number and content of special education teacher training programs are best considered as part of the Commission's forthcoming study of the schools workforce.

#### *Training allied health and early intervention professionals for ECD services*

Allied health and early intervention professionals who work in ECD services acquire their professional skills through university study, at either the undergraduate or postgraduate level. For instance, speech pathologists may complete either a bachelor degree or masters degree in speech pathology (Speech Pathology Australia 2011). Although approved by the relevant professional body, courses vary in duration and content. Moreover, because health services are the major employer of these professionals, universities tend to focus their curriculums on equipping graduates for health service roles. Graduates of different courses and disciplines

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therefore differ considerably in their knowledge of child development and their readiness to provide ECD services (DEECD 2010b).

Several study participants (including the Benevolent Society, sub. 49) expressed concern that newly trained professionals in many allied health and early intervention disciplines may not be equipped to work effectively with children with additional needs, particularly those with multiple or complex needs.

New graduates, or workers without disability backgrounds often have high training needs, which can have a large practical and financial impact within both smaller organisations and/or those in geographically remote locations. (Early Childhood Intervention Australia (NSW Chapter), sub. 25, p. 2)

Some graduates are very much work ready – others not so and this is often due to the amount of practicum/work placement they have undertaken in their course. Recent graduates do not always have the skill of including children with a disability. (SDN Children’s Services, sub. 31, p. 6)

[There is a] major lack of an early childhood/paediatric focus within many professional training courses. For example, although varying depending on the course, there is generally very limited course content and placement requirements for undergraduate therapists relating to children and families. (Early Childhood Intervention Australia, sub. DR157, p. 4)

... it is clear that no specialist discipline trains practitioners in all the skills they need to work effectively in early childhood intervention services. (DEECD 2010b, p. 85)

To the extent that gaps in graduates’ knowledge affect the quality of ECD services, addressing these gaps may improve service quality. This could be achieved by encouraging university students who may later work in early intervention services to study relevant paediatric subjects. In some cases, universities could be more active in facilitating and promoting opportunities for students to take courses in different faculties and departments (for instance, health science students studying child development subjects delivered by the education faculty). Even with such measures in place, however, access to ongoing professional development will remain essential for allied health and early intervention professionals in ECD services.

### *Professional development and career paths*

Study participants considered that allied health and early intervention professionals should have access to professional development programs. For example, Gowrie SA noted that ‘all early intervention workers require ongoing professional learning’ (sub. 40, p. 15). Some concern was also expressed about the cost of attending professional development (for instance, Mission Australia, sub. 12).

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However, the major concern expressed by study participants and commentators is the ‘very limited’ career paths for professionals in the ECD sector (Early Childhood Intervention Australia, sub. DR157, p. 1), with difficulty in accessing professional development and support considered to be a symptom of this broader problem.

Funding difficulties impact on the professional development opportunities for all workers in the early childhood development space. However, professional development and career opportunities are plentiful and more appealing in other sectors (such as the hospital system) for specialists such as occupational therapists, speech pathologists, and so on. (Mission Australia, sub. 12, p. 4)

There are no identified career pathways within the early childhood intervention sector (in contrast to other ‘competing’ sectors, such as the health sector), and this is a deterrent to many professionals who wish to pursue a career path that recognises their increasing expertise. (KPMG 2008, p. 24)

Therefore, for the ECD sector to retain professional staff in the long term, career paths and professional development opportunities in the sector will need to be enhanced so that they are as attractive as those in other sectors. Basing program funding on relevant market wages for equivalent positions will also assist in this regard.

Another potential method of improving career paths is to foster cooperation between the health, education and disability sectors. For instance, professional development programs and mentoring networks linking ECD and health services could be established at a regional level. Such an approach may have wider benefits, as greater cooperation and integration can also help to improve service delivery for all children, including those with additional needs (chapter 15).

#### RECOMMENDATION 8.3

***Children with additional needs require the services of allied health and early intervention professionals to benefit fully from the COAG ECEC reforms. To enable early childhood development services for children with additional needs to sustain an appropriately skilled workforce of allied health and early intervention professionals, governments should ensure that funding for such services:***

- ***is based on relevant market wages and conditions for equivalent positions***
- ***takes into account the skill sets required to perform the purchased services***
- ***includes provision for professional development and support.***

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## 8.4 Equipping the mainstream workforce to provide ECEC for children with additional needs

While some ECEC staff do not work with children with additional needs on a regular basis, almost all will do so over the course of their careers. For example, one third of family day care providers report caring for at least one child with a disability or developmental delay (Family Day Care Australia, sub. 61). Indeed, ‘any and all members of the ECD workforce have a role to play in the inclusion of all children’ (Health and Community Services Workforce Council, sub. 56, p. 16). Workers in the ECEC sector therefore require both a sound background in how best to support children with a broad range of additional needs, and detailed knowledge and skills about the specific needs of the children they currently work with. For instance, staff require knowledge of particular behaviour management strategies when working with children with autism, or the ability to use signing and visual tools for communication with children with sensory disabilities (UnitingCare Children, Young People and Families, sub. 62).

However, many ECEC workers do not currently have the skills to provide effective services to children with additional needs, with commentators suggesting that ‘limited staff knowledge, negative attitudes and inadequate support provisions have continued to hamper inclusion’ (Petriwskyj 2010, p. 348). Similarly, Mohay and Reid (2006) found that workers’ lack of confidence about having the skills to provide an appropriate program for children with additional needs can hamper inclusion.

Early Childhood Intervention Australia considered that the COAG ECEC reforms may make it easier for the ECEC workforce to acquire inclusion skills.

An increase in the qualifications required for staff in ECEC [services] clearly has much to offer all children. One of the potential positives for children with disabilities and developmental delays is that the additional specialised training required for staff to support them effectively would generally be able to be delivered more efficiently by those who are more highly qualified, given the sounder knowledge base on which it would be building e.g. greater ability to plan, implement and evaluate programmes for young children generally. (Early Childhood Intervention Australia, sub. DR157, p. 3)

However, many other study participants remained concerned about the ability of ECEC workers to provide effective services to children with additional needs (for instance, AUSPELD, sub. 19; Northcott Disability Services, sub. 18; Tasmanian Minister’s Child Care Advisory Council, sub. 83). SDN Children’s Services considered that ‘it can be difficult to find staff with the skill to include children with a disability into mainstream services’ (sub. 31, p. 5). Governments have agreed that the capacity of the ECD workforce to include children with a disability could be

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improved, and have recently promised to ‘strengthen the capability of all education providers to deliver inclusive high quality educational programs for people with all abilities from early childhood through adulthood’ (COAG 2011, p. 54).

The limited leadership capacity in the sector (chapter 5) can also act as a barrier to inclusion, with Child Australia considering that ‘the lack of experienced leaders in the ECEC sector impacts significantly on the successful inclusion of children with additional needs’ (sub. 78, p. 13). These factors point to gaps in both the initial training and professional development of the mainstream workforce.

### **Initial training**

While early childhood teachers and diploma-qualified workers receive some grounding in education and care for children with additional needs, it is typically of a general nature. Gaps in such training make it hard for ‘early childhood staff across a range of professions ... to respond to the increasingly complex needs of children and families’ (City of Greater Geelong, sub. 20, p. 12).

Most early childhood teacher education courses provide limited exposure to children with disabilities (Kilgallon and Maloney 2003). Similarly, ‘cultural diversity training in early childhood training both in university and TAFE is extremely limited’ (Ethnic Communities Council of Queensland, sub. 58, p. 12).

Some initiatives are underway to improve the additional needs content of VET and higher education courses. For instance, the Queensland Government noted that it ‘is working with universities and providers of tertiary courses to explore ways to include disability studies as a core component of early childhood certificate, diploma and bachelor degree courses’ (Queensland Government, sub. DR88, p. 16).

However, courses typically include only one or two subjects on additional needs, with only students who choose to specialise in special education or English as an additional language undertaking more in-depth study. At best, these courses provide an introduction to dealing with children with disabilities and children from Indigenous or CALD backgrounds. Many early childhood teaching graduates are therefore not equipped to effectively teach all the children in their classroom.

New service teachers often do not feel capable of appropriately supporting the specific needs of children with additional needs and are frustrated by the insufficient funding available to provide on-site assistance for children with more substantial, sustained needs. (Community Connections Solutions Australia, sub. 75, p. 15)

Similarly, while the Diploma of Children’s Services includes one compulsory unit on the inclusion of children with additional needs, it does not equip graduates with

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the range of skills necessary to work with all children with additional needs. The Certificate III in Children's Services does not include any compulsory units on children with additional needs. This means that:

... staff in childcare do not have the skills or strategies to successfully include and provide for the developmental needs of children with disabilities and [inclusion support agency] support does not provide this. (Dawn Chadwick, sub. DR191, p. 1)

Several study participants suggested that future ECEC workers should be required to complete more study on the inclusion of children with additional needs. For instance, the Australian Education Union considered that 'all pre-service teacher education courses must include significant units on teaching students with special needs and those from CALD backgrounds and those from lower [socioeconomic status] backgrounds' (sub. 69, p. 13). If early childhood teachers were required to obtain professional registration (see chapter 10), such subjects may also be required as a condition of that registration.

However, changing the content of certificate, diploma or degree courses to include additional study of service provision for children with disabilities and from CALD backgrounds is unlikely to be worthwhile, for several reasons.

- First, it would require students to spend less time studying other topics, and so is likely to have a negative impact on workers' skills in other areas.
- Second, initial training will only ever be able to provide a limited introduction to the wide range of additional needs.
- Third, obtaining agreement on the content of introductory subjects is likely to be difficult and time-consuming, and therefore costly. For instance, 'there is no real agreement in the field about how much and what type of coursework should be required for effective preparation' of preschool teachers to work with children from CALD backgrounds' (Shivers and Sanders 2011, p. 201).
- Fourth, many workers have already completed their initial training, and thus would not be reached by changes to curriculums.

The Commission therefore considers that the targeted use of professional development programs would be the most effective way of increasing ECEC workers' knowledge and skills in providing services to children with additional needs (though early childhood teaching degrees may in some cases need to include extra study of additional needs in order for graduates to be eligible for teacher registration).

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## Professional development

In light of the limited coverage of additional needs in the initial training of ECEC workers, further professional development opportunities on inclusion are required. While professional support coordinators (see box 8.1 above) and state and territory governments (for instance, Therapy ACT 2011) provide some such training, many study participants agreed that there are gaps in this area (for example, Gowrie Tasmania, sub. 82; Tasmanian Minister's Child Care Advisory Council, sub. 83).

ECEC staff need access to information and professional learning opportunities to improve their knowledge and skill in relation to quality inclusive practices and the broad scope of additional needs, including those emotionally and socially based. (Community Connections Solutions Australia, sub. 75, p. 15)

... building capacity for inclusion across the whole ECD workforce is a high priority. (Health and Community Services Workforce Council, sub. 56, p. 18)

When including a child with additional needs, educators may require information/advice/resources/training to build their knowledge and confidence; they may need to learn a new technique, or use specialist communication tools, language or culturally specific tools/aids. This growth in skills, knowledge and confidence should build on the educator's base training/qualification ... (Child Australia, sub. DR168, p. 7)

Others emphasised the importance of involving a range of other professionals in ECEC workforce development. For instance, speech pathologists could provide professional development about communication disorders and language stimulation (Speech Pathology Australia, sub. DR181).

Study participants also highlighted the importance of ensuring that all members of the ECEC workforce can work effectively with children who speak languages other than English as their first language (Institute of Early Childhood, Macquarie University, sub. DR158) and provide services in a culturally sensitive manner (for instance, Community Child Care Co-operative, sub. 53; Mission Australia, sub. 12; SNAICC, sub. 29).

Cultural competence training for childcare workers and early education practitioners [should be] funded by the State or Commonwealth government. (Townsville Multicultural Support Group, sub. 28, p. 8)

We need to have practical hands on [professional development] programs to assist educators with working with children with additional needs, including CALD and Indigenous children. (City of Monash, sub. 10, p. 8)

In addition to bicultural and bilingual workers, the workforce generally needs access to good quality cultural competency training given the importance of culture to parenting. New standards and improved curricula are needed to ensure that cultural competency training is effective and of a high quality. (Ethnic Communities Council of Queensland, sub. 58, p. 7)

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Family Day Care Australia (sub. 61) and the Tasmanian Ministerial Child Care Advisory Council (sub. DR173) expressed concern that many family day care providers are not aware of inclusion support agencies, inclusion support facilitators and other services that can assist them to effectively include children with additional needs.

Even participants who considered that all ECEC workers have skills for working with children with additional needs (and therefore regard special skills as unnecessary) considered that more professional development would be beneficial (Child Australia, sub. 78).

The changes currently underway in the sector increase the need for ECEC workers to be able to respond effectively to children and families with different needs and backgrounds. For instance, with the introduction of the Early Years Learning Framework (EYLF), ECEC workers will be required to promote children's independence. However, some families from CALD backgrounds do not seek to increase the independence of young children (Farrar 2007). ECEC workers will therefore need the cultural competence and skills to enable them to communicate the goals and philosophy of the EYLF to families from other backgrounds — many do not currently possess such skills. Recruiting more bilingual staff and staff with cultural knowledge may assist in this regard, as 'staff with linguistic and cultural skills are particularly effective in working with new and emerging communities' (NSW Government, sub. 79, p. 13).

The NQS will also encourage ECEC services to improve their cultural competency. Under the proposed new rating instrument, ECEC services can only receive a rating of National Quality Standard (or higher) if they meet (or exceed) all the elements in the NQS. Included among other elements is the requirement that children's cultures provide the foundation of the education program, and that staff acknowledge, value and respect diversity and difference (COAG 2010).

Chapter 10 contains recommendations for enhancing professional support and development opportunities for ECEC workers. Delivery of services for children with additional needs would form an important part of these enhanced professional development and support programs (see recommendation 10.8).

In recommending the enhancement of professional development options relating to ECEC for children with additional needs, the Commission seeks to emphasise that any such training or professional development should be optional. Because the effectiveness of training is enhanced when it is relevant and linked to workplace needs and goals, the focus of enhanced professional development should be on

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providing ECEC workers with skills that are applicable in their current workplace, and that address the additional needs of the children they currently work with.

In providing increased opportunities for in-service training and professional development, existing programs should not be compromised. Enhanced professional development should be offered in addition to services currently provided by bicultural support staff and inclusion support facilitators, and should not be structured in such a way as to increase the workloads of these support staff. Models of good practice are already being established in some areas. For instance, several children's centres in South Australia 'were involved in an Occupational Therapy program that gave staff theoretical and practical knowledge and skills with the [occupational therapist] working alongside staff to model intervention strategies with identified children' (Government of South Australia, sub. 66, p. 18).

Appropriate timing of professional development programs is also important to their usefulness and success. Ideally, a wide range of programs would be offered at the beginning of the year.

There needs to be specific workshops for the various diagnosed children as well as a broader behavioural guidance session set up during two weeks of February so that educators can go to a workshop early in the year which would enable them to plan appropriately for all children in their care ... Many problems occur because there is no available training for teachers when they need it most. (City of Monash, sub. 10, p. 8)

As mentioned above, the support and commitment of directors, teachers and other ECEC leaders is also essential for the successful inclusion of children with additional needs. For instance, Gowrie SA considered that:

Many services are working effectively with children with additional needs, CALD and low [socioeconomic status] backgrounds — [but] many struggle. This work is complex and depends on overall service quality, leadership and the opportunities for professional dialogue and learning within the staff team. (sub. 40, p. 15)

Similarly, a study of inclusion of children with disabilities in Australian ECEC services found that:

Only three centers [out of 17 centers included] in this study ... could be described as successfully providing an inclusive environment ... Although the ways in which these three centers made inclusion work differed, they all shared one thing in common — a director personally committed to making the center inclusive. (Grace et al. 2008, p. 26)

This suggests that enhanced opportunities for professional development on the inclusion of children with additional needs should be targeted to centre directors, teachers and other leaders in the first instance. The STaR inclusive early childhood project — which involved designating a teacher to be the 'special needs manager' at an ECEC service, and supporting them to undertake a postgraduate certificate in

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special education — provides a possible model (AIFS 2011c). Other models and issues affecting professional support and development for ECEC workers are discussed in chapter 10.

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## 9 The ECEC workforce in rural and remote areas

### Key points

- It is difficult to obtain sufficient numbers of skilled and experienced early childhood education and care (ECEC) workers in rural and remote areas. Unless addressed, this will prevent the full implementation of the Council of Australian Governments (COAG) ECEC reforms in rural and remote areas. The causes of this difficulty affect both rural and remote settings, to a degree that typically increases with remoteness.
- Children in rural and remote areas are less likely to attend mainstream ECEC services than those in urban areas. When attending mainstream services, rural and remote children are more likely to attend preschool and family day care, and less likely to attend other services, such as long day care. This may be affected by the relative availability of services in these areas.
- Supply of ECEC workers is significantly constrained in rural and remote areas, particularly for positions requiring tertiary qualifications.
- Special allowances and other incentives are offered to workers in some rural and remote areas. While such payments appear to increase supply of ECEC workers in these areas, the magnitude of this increase is unknown.
- The poor availability of housing in some (mainly remote) areas adversely affects worker retention, as well as the ability of ECEC workers to perform their duties. This results in higher cost and lower quality services. In order to meet the goals of the COAG ECEC reforms for children in remote areas, governments should provide all ECEC workers in remote communities with timely access to appropriate housing at reasonable cost, including housing for students undertaking placements.
- Workers who are recruited from, receive training in, or otherwise have experience with rural or remote areas are generally more willing to work in those areas. Increasing the number of training opportunities in rural and remote areas would improve staff recruitment and retention rates.
- Many jurisdictions experience difficulties in attracting teachers to primary schools in rural and remote areas. Given the compulsory nature of primary schooling, it will likely remain a higher workforce priority than ECEC services. This will compound the difficulties in supplying teachers to ECEC services in rural and remote areas.

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Providing early childhood education and care (ECEC) services in rural and remote areas involves particular workforce challenges. Recruitment and retention are very difficult (box 9.1) due to factors such as insufficient housing, competition with other sectors, ‘culture shock’ and limited opportunities for professional development and support. This chapter explores these issues, and discusses how the Council of Australian Governments (COAG) ECEC reforms will affect ECEC provision in rural and remote Australia.

Regional and remote areas can generally be thought of as those areas outside of major metropolitan cities. Figure 9.1 shows the distribution of regional and remote areas in Australia. There is considerable diversity within and between regional and remote classifications. Inner regional towns like Ballarat, for example, experience few of the issues discussed in this chapter. Even some outer regional towns do not experience these issues to a significant degree. For example, while classified as outer regional, Cairns has a population of around 150 000 people and thus has access to a significant workforce.

**Box 9.1 ECEC staffing difficulties in rural and remote areas**

Many study participants stressed that service providers in rural and remote areas face greater difficulties than their urban counterparts in attracting early childhood education and care staff.

Recruiting staff to remote locations is a difficult matter. (Mobile Children’s Services Association of NSW, sub. 38, p. 5)

... being located in a rural area offers more difficulties in recruiting staff. (Community Child Care, sub. 63, p. 8)

The difficulties of attracting ... qualified staff in child care settings are exacerbated in regional and remote areas. (Department for Communities (WA), sub. 59, p. 2)

As a member of a large number of forums and reference groups, KU is aware that there is difficulty in attracting ECEC university qualified teachers in regional and remote areas. (KU Children’s Services, sub. 26, p. 7)

... we find it particularly difficult to recruit staff in regional and rural areas ... often because there is not a large enough pool of suitably qualified staff (especially the case in regional areas) from which to recruit. (Northcott Disability Services, sub. 18, p. 3)

These concerns were just as strong when considering retention of staff in rural and remote areas.

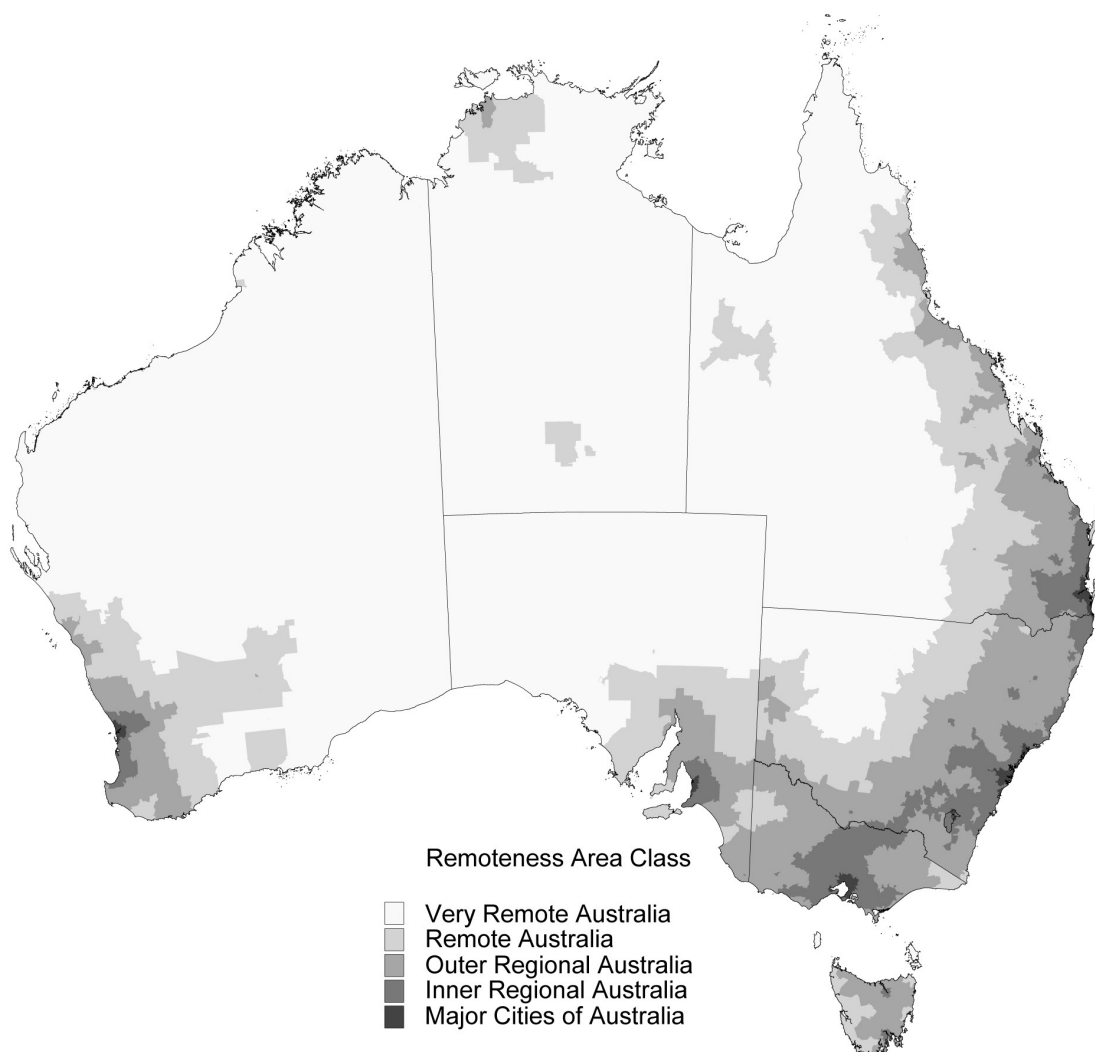
Turnover is very high and consistency of staff retention is hard to maintain [in remote regions]. (RRACSSU Central, sub. 42, p. 3)

... retention difficulties of suitably trained early childhood staff are consistently apparent in the most remote isolated areas, but increasingly large regional centres ... are also encountering similar problems. (City of Greater Geelong, sub. 20, p. 7)

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Figure 9.1    **Metropolitan, regional and remote Australia**

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Source: ABS (2010h).

It is a combination of isolation and low population density that causes some areas to experience ECEC workforce issues that are significantly different from those in urban areas. For this reason, the issues discussed in this chapter are correlated with an area's regional or remote classification, but not perfectly so. Therefore, the term 'rural' will be used to refer to those regional, but not remote, areas where the issues in this chapter exist to a significant degree. Most rural areas are contained within areas classified by the Australian Bureau of Statistics as outer regional.

The issues discussed in this chapter are, where possible, separated according to whether they affect both rural and remote areas, or mainly affect remote areas. However, most of the issues exist in all regional and remote areas, but to varying degrees. Many inner regional areas experience these issues to a limited degree,

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while in most areas classified as very remote these issues are pervasive. Therefore, where an issue is identified as applying to remote areas, that does not mean that this issue is not present to some degree in other areas.

While 88 per cent of Australian children under the age of five years live in major cities and inner regional areas, 9 per cent live in outer regional areas, and 3 per cent in remote and very remote areas (ABS 2009d). Remote and very remote issues have relevance mainly to Queensland, Western Australia and the Northern Territory, since 80 per cent of children living in remote or very remote areas reside in these jurisdictions.

In addition to ECEC services discussed in preceding chapters, a range of non-mainstream services are offered in rural and remote areas. Most non-mainstream services are provided by not-for-profit organisations and are delivered mainly in rural, remote or Indigenous communities. They provide access to ECEC where the market would otherwise fail to deliver any ECEC services. They include:

- flexible/innovative services
- mobile ECEC services
- crèches including Jobs, Education and Training (JET) crèches (DEEWR ndb).

The Port Pirie JET crèche is an example of an Australian Government-funded non-mainstream service. It offers ‘a free crèche to sole or disadvantaged parents who have the opportunity to participate in workshops for their development and/or employment skills’ (UnitingCare Wesley Port Pirie 2010).

Non-mainstream services are also funded by other levels of government. For example, the Darwin City Council operates ‘The Fun Bus’ — a mobile playgroup service for children 0 to 5 years and their parents and carers (Darwin City Council, sub. 47). In New South Wales, there are 110 mobile children’s services operating in hundreds of communities with thousands of families (Mobile Children’s Services Association of NSW, sub. 38).

Non-mainstream services also include services targeted specifically at Indigenous children, such as Multifunctional Aboriginal Children’s Services (MACS), Indigenous playgroups, Indigenous outside school hours care (OSHC) and enrichment programs. Workforce issues affecting Indigenous-focused services are discussed in chapter 14.

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## 9.1 Demand for ECEC workers in rural and remote areas

Most factors affecting demand for ECEC workers in rural and remote areas are the same as those in urban areas. However, demand for workers does vary to the extent that the proportion of different types of services offered in rural and remote areas differs. The current makeup of the rural and remote ECEC workforce has implications for the additional demand resulting from the COAG ECEC reforms.

### Current demand

While the demand for ECEC workers in rural and remote areas is affected by factors which affect the workforce as a whole (see chapters 4, 5, 6 and 7), the characteristics of individual communities can give rise to localised workforce issues. For example, in times of drought:

... when farmers' fee incomes go down, rural services face falling enrolments which can make it difficult to continue to employ more qualified (and therefore more expensive) staff on an ongoing basis. (Community Child Care Co-operative, sub. DR183, p. 12)

The availability of services in these regions can be affected by such issues, and this will also shape workforce demand.

Though no ECEC service type is absent from all rural and remote areas, the availability of some service types diminishes in the more remote areas of Australia. Towns like Tamworth and Bendigo have a full range of ECEC services available, while the only ECEC service available in Jeparit (outer regional Victoria) is a preschool. In communities such as Batchelor (outer regional Northern Territory) a MACS is the only available option.

There are no data that comprehensively describe the ECEC workforce and services in rural and remote areas. However, some conclusions can be drawn from the data that do exist. The proportion of ECEC services offered in these areas differs to that of urban areas, with long day care (LDC) and OSHC making up a smaller share of ECEC services in rural and remote areas than in major cities. Of those attending ECEC services (excluding preschool), proportionally more children in outer regional, remote and very remote areas (17 per cent) attend family day care (FDC) services than those in inner regional and major cities areas (9 per cent). Also, the share of ECEC services (excluding FDC) accounted for by dedicated preschools increases with remoteness (25 per cent in major cities, 33 per cent in inner regional areas, 44 per cent in outer regional areas, and 71 per cent in remote and very remote

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areas). The greater prevalence of services such as preschool and occasional care (OC) in rural and remote areas — where services such as LDC are less financially viable — is due to the structure of government funding of these services (Queensland Government, sub. DR88).

The increased rates of FDC attendance in rural and remote areas does not necessarily reflect a preference for these services over LDC and other types of ECEC. It is instead a consequence of the fact that, in some areas, low population density can make large-scale operations like LDC unviable, and so they are substituted by small-scale services such as FDC. Even in areas where LDCs are viable, there may nevertheless be limited opportunities to choose quality long day care services (Harris 2008). Given that FDC is more common in rural and remote areas, the demand for workers is skewed in favour of FDC when compared to urban areas.

Four-year degree-qualified teachers form a larger part of the remote and very remote ECEC workforce (19 per cent), excluding FDC workers, than in other areas (10 per cent) (Productivity Commission estimates based on unpublished DEEWR data from the 2010 National ECEC Workforce Census). This is to be expected, as preschools comprise a much larger proportion of services in those areas, and many of these preschools offer programs to children from an earlier age (although for fewer hours per week) than preschools in other areas. For instance, most jurisdictions fund preschool programs for Indigenous children for two years prior to formal schooling, rather than just one year, meaning that rural and remote areas, which generally have a higher concentration of Indigenous children, have a higher demand for preschool teachers.

Study participants raised very few concerns about the workforce for OSHC and OC services in rural and remote areas. It is also likely that there is a high degree of substitution of informal care for these services in rural and remote locations.

### **Effect of COAG reforms in rural and remote areas**

The National Quality Standard (NQS) will require some mainstream ECEC services to employ qualified teachers and to meet staff-to-child ratios that are higher than those currently in place in many jurisdictions. In addition to greater staff numbers, the reforms also require a general increase in the qualifications of those workers currently employed in the ECEC workforce (chapter 5). These requirements present a significant challenge to rural and remote areas, which already struggle to recruit and retain an ECEC workforce.

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### *Staffing pressures will increase*

With ECEC services in rural and remote areas already experiencing greater difficulty in recruiting both educators and teachers than their counterparts in urban areas, study participants expressed concern that they will be unable to find enough qualified staff to meet the NQS.

There is immense concern from members in rural WA who at present find it very difficult to meet the current standards with a Diploma trained [staff member] as there are none to recruit — these members are voicing their concern at attracting a university trained Educator to their rural centre. (Childcare Association of WA, sub. 73, p. 3)

Isolated services will also experience ... challenges in accessing higher qualified staff — access to support and training in rural areas should be considered — isolated areas have limited choice in care options and to jeopardise what is there will have a detrimental impact on communities, families and children. (Tasmanian Ministerial Child Care Advisory Council, sub. 83, p. 28)

The change in demand for preschool teachers in rural and remote areas depends on the current demand for teachers in these areas. Attendance rates and hours of attendance at preschool can give an indication of demand for preschool teachers. At first glance preschool attendance rates appear to be similar across all remoteness classifications (ABS 2009c), with some data suggesting higher attendance rates in remote and very remote areas (SCRGSP 2011a). However, when again considering that a larger share of children in rural and remote areas attend preschool for two years instead of one, it appears that children in rural and remote areas are less likely to attend preschool than those in other areas. Also, children who attend preschool in outer regional, remote and very remote areas, do so for fewer hours per week than those who attend preschool in other areas (ABS 2009c).

As mentioned in chapter 3, the National Partnership Agreement on Early Childhood Education (NPA ECE) includes a requirement that every child will have access to 15 hours of preschool per week in the year before formal schooling by 2013. This will lead to a pronounced increase in demand for preschool teachers in rural and remote areas, due to current hours of participation of children in these areas being lower than those in urban areas. With some rural and remote areas already unable to find appropriately qualified preschool teachers (Australian Childcare Alliance, sub. 71; Childcare Association of WA, sub. 73; Community Child Care Co-operative, sub. 53; Community Connections Solutions Australia, sub. 75; KU Children's Services, sub. 26; Queensland Catholic Education Commission, sub. 13) the requirements of the NPA ECE will exacerbate the existing shortage of teachers.

The NQS and NPA ECE regulations contain provisions to relieve some of the pressure on ECEC services in rural and remote locations. For example, while the

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NQS specifies minimum staff-to-child ratios for each type of ECEC service (see chapters 4, 5, 6 and 7), it also contains a provision allowing FDC services in rural and remote areas to exceed these ratios when no alternative ECEC services are available (ACECQA 2011). Such provisions may reduce workforce demand pressures in some rural and remote areas.

### *A greater need for training*

While there is a need to increase the size of the ECEC workforce in rural and remote areas, the NQS also creates a need to improve the qualifications of the workforce in these areas. Since a greater proportion of ECEC staff are unqualified in remote and very remote areas (37 per cent) than in other areas (29 per cent), the requirement that all educators obtain the Certificate III in Children's Services will place greater stress on the workforce in remote and very remote areas. In addition, there are proportionally fewer diploma-qualified staff in outer regional, remote and very remote areas, so the requirement that half of all educators possess a diploma qualification will further increase workforce pressures (Productivity Commission estimates based on unpublished DEEWR data from the 2010 National ECEC Workforce Census).

Compared to those in major cities, a larger proportion of the ECEC workforce in rural and remote areas are currently enrolled and studying for a qualification in an ECEC-related field. Around 45 per cent of ECEC staff in rural and remote areas are currently studying, compared to 33 per cent in major cities and 35 per cent in inner regional areas (Productivity Commission estimates based on unpublished DEEWR data from the 2010 National ECEC Workforce Census). This may suggest that the rural and remote workforce is working more quickly towards the new qualification requirements, but may also reflect that workers in these areas are more likely to study by distance education, which can involve undertaking fewer units at a time.

## **9.2 Supply of ECEC workers in rural and remote areas**

### **Limitations on supply**

As discussed, rural and remote service providers report great difficulty in recruiting and retaining ECEC workers (see box 9.1 above).

One of the most pressing challenges currently facing early childhood services across Australia is the shortage of qualified early childhood staff. This problem is particularly evident within rural and regional communities ... (City of Greater Geelong, sub. 20, p. 5)

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This sentiment was echoed by several other study participants (Australian Community Children's Services, sub. 64; Benevolent Society, sub. 49; C&K Association, sub. 52; NSW Children's Services Forum, sub. 23).

Although attracting any ECEC staff is difficult, attracting degree-qualified staff, such as teachers, is particularly challenging. Teacher recruitment is so difficult in some jurisdictions that requirements for qualified staff have been relaxed in order to allow rural and remote services to continue to operate. In outer regional, remote and very remote areas, 16 per cent of services report that they have an exemption for workers without formal teaching qualifications, compared to 9 per cent of major cities and inner regional services (Productivity Commission estimates based on unpublished DEEWR data from the 2010 National ECEC Workforce Census). The difficulties faced by the rural and remote ECEC workforce in accessing training and professional development opportunities (see chapter 10) will create greater pressure on rural and remote services to apply for waivers following the implementation of the COAG reforms (Gowrie SA, sub. DR105).

### *Isolation and remoteness*

Along with recruitment, retention is commonly raised as a problem for ECEC services in rural and remote areas. In addition to the challenges of isolation (City of Greater Geelong, sub. 20), 'culture shock' may be a major reason for the reported differences in retention rates between local and non-local ECEC workers. Study participants suggested that:

[ECEC workers] must ... have the maturity and courage to leave their own culture to live in a world where few people speak their language fluently. In addition there is ... inability to travel to and from communities in the wet season. (RRACSSU Central, sub. 42, p. 10; Batchelor Institute, sub. 46, p. 10)

These difficulties are likely to be more apparent in very remote areas, including some Indigenous communities. Workers moving to these areas need to have the skills and disposition to be able to adapt to a different way of life.

The cost of food — a major determinant of the cost of living — is significantly higher in rural and remote areas (Burns et al. 2004; Lee 2003). The higher cost of living further compounds recruitment difficulties (Professor Alison Elliott, sub. 70). The cost of living is also affected by the higher cost of housing, which is a particular issue in some areas due in part to the growth of the resources sector.

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### *Impact of the resources sector*

ECEC employers in some rural and remote areas face overwhelming competition for workers from other sectors. Many mining communities, for example, have difficulties recruiting ECEC workers.

High salaries offered to workers in the mining industry in these regions impact greatly on the retention of staff. Additional incentives may be required under such circumstances to attract and retain workers in the sector. (Australian Education Union, sub. 69, p. 14)

While wages of workers from all sectors are generally higher in mining towns, including those of ECEC workers (Catholic Education Office of Western Australia, sub. 65), study participants considered recruitment and retention to be more difficult due to the presence of these booming industries.

[There is] high turnover of staff in regional mining towns — the wage of a childcare worker is no comparison to [the wage of] menial task jobs such as stacking shelves or pumping fuel in these towns. (Childcare Association of WA, sub. 73, p. 1)

Typically, remote mining areas make use of a ‘fly-in, fly-out’ (FIFO) workforce. While the Health and Community Services Workforce Council (sub. 56) expressed concern that the use of FIFO workforces contributes to recruitment difficulties in early childhood services, these concerns do not appear to be widespread. The use of a FIFO workforce reduces the likelihood of workers bringing spouses who may take up ECEC roles, denying a source of workforce supply. However, it also reduces the likelihood of workers bringing children who may require ECEC services, removing a source of workforce demand. While the precise impact of a FIFO workforce on ECEC workforce issues may depend on demographic characteristics and scale effects, the overall effect is likely to be neutral.

Although ECEC workforce difficulties are apparent in areas where the resources sector dominates economic activity, there are offsetting effects also originating from the resources sector. The royalties paid by resource companies can be used to support the ECEC workforce. For example, Western Australia’s ‘Royalties for Regions’ program funds the construction of housing for government employees, providing funding for 459 units in rural and remote areas of Western Australia (Grylls and Buswell 2009). The availability of housing is an issue which affects the ECEC workforce in remote areas (see below).

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While the mining sector's presence has contributed to the shortage of ECEC workers in some rural and remote areas, a number of resource companies are actively funding the provision of ECEC services in order to address the needs of their workers, as well as those of the broader community.

Contributions by the mining companies have included assistance with construction costs, and the provision of housing for child care workers to support recruitment and retention of staff who would not otherwise be able to afford the high housing costs (purchase and rental) and higher general living costs in mining towns. This measure further assists with the affordability of child care in those areas. (Department for Communities (WA), sub. 59, p. 3)

For example, Woodside Petroleum has contributed \$3.7 million to fund the construction of a \$5.9 million childcare centre in Karratha (remote Western Australia), with the remainder provided by the Australian Government (Garrett and Pratt 2010). Similarly, BHP Billiton Iron Ore's childcare strategy has committed \$25 million to supporting ECEC in Newman and Port Hedland (remote Western Australia). Part of the investment included the establishment of two childcare centres, provision of training, support and housing for ECEC staff, and provision of small grants to existing ECEC centres and workers (BHP Billiton 2008). However, BHP Billiton has since withdrawn its provision of a house for a childcare worker in Port Hedland, increasing the cost of ECEC services in the area (see below).

### *Limited training and professional development opportunities*

Workers in rural and remote areas have difficulties accessing training and professional development opportunities, whether by travelling to larger population centres to attend courses, or through distance education.

Distance from training providers and the difficulty in finding replacement staff both present major barriers to training for ECEC workers.

Living in the Central West [of New South Wales] can be an obstacle when it comes to accessing quality [early childhood] training and inservicing. Many training opportunities are available in capital cities and travel and accessing relief staff can also be an obstacle when staff choose to attend such workshops. (Kristy Yeo (Parkes Early Childhood Centre), sub. 67, p. 2)

On the Mid-North coast [of New South Wales] with a number of isolated townships and a transient population there is significant challenge in the area of maintaining a casual pool of suitably qualified and experienced early childhood staff for children's services. (Southern Cross University and Early Childhood Australia (NSW), North Coast Branch, sub. 16, p. 11)

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Teachers in remote settings in particular face issues and obstacles to their participation in professional development and communication with colleagues in the wider teaching community. Strategies to address these issues include time release, access to appropriate IT facilities and travel allowances to allow teachers to attend professional development activities. (Australian Education Union, sub. 69, p. 17)

Staff working in rural and remote children's services face additional challenges accessing training and development programs. These additional challenges include not having a peer or mentor in a geographically close location, often needing to undertake study externally or with no or limited face to face interactions, lack of easy access to study and library resources, and computer download speed and capacity in some rural and remote regions. (Community Child Care, sub. 63, pp. 14–15)

Where workers must travel to access training, they are absent from the workplace (and need to be replaced) for longer, adding extra cost to their professional development. This can make travelling for short training courses impractical or prohibitively expensive.

One method to improve access to qualifications is to increase access to recognition of prior learning (RPL). The Australian Government has recently increased its support for RPL, with the Child Care Reform Agenda Workforce package offering grants covering 75 per cent of the costs associated with accessing RPL for workers in rural and remote areas, up to a maximum of \$1125 per worker (Treasury 2011a). However, as discussed in chapter 10, there are some concerns about RPL being used in ways that do not promote the skills of the workforce. The Australian Education Union (sub. 69) also advised caution in the application of RPL. Nevertheless, Price and Jackson-Barrett (2009) demonstrated that RPL can yield positive results for workers in rural and remote areas when carefully administered.

While access and provision are major issues for training workers in rural and remote areas, specialised skill sets are also required in these areas — for example, skills in working with children with additional needs (Robert Schneider, sub. DR104; Townsville Multicultural Support Group, sub. 28). As discussed in chapter 14, Indigenous children experience greater disadvantage in early childhood development, and therefore there is greater demand for workers with skills in working with Indigenous children in rural and remote areas.

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## Potential policy responses to supply issues

### *Wages, allowances and other incentives*

As is the case in urban areas, low wage rates can make employment in the ECEC sector relatively unattractive in rural and remote areas.

Generally in remote regions, wages are poor and offer little incentive to remain in the childcare workforce. (RRACSSU Central, sub. 42, p. 3)

Governments and employers have attempted to increase the attractiveness of work in rural and remote areas with a range of incentives and allowances (box 9.2). Study participants supported this approach. For instance, NIFTeY NSW noted that:

Incentives need to be made available to attract and keep qualified staff in areas where it is difficult to attract applicants ... in rural [and] remote areas. These need to be funded by Governments as local communities cannot support additional costs. It is also important for the quality of services to children so that those in low income or isolated areas do not end up with poorer quality programs due to the lack of, or turnover of, qualified staff. (sub. 36, p. 3)

Most of the current incentives are targeted at teachers, generally those employed by governments, and do not extend to ECEC workers as a whole. Considering the additional difficulties faced by employers in attracting degree-qualified teachers, targeting extra incentives at these workers may be appropriate.

There is considerable variety in the way incentive schemes are targeted and their terms. For example, the Western Australian district allowance is paid annually and only to government employees, while the Victorian incentive payment is made to any ECEC worker who meets eligibility requirements. These provide different incentives and will act to influence the decisions of ECEC workers in different ways.

Incentive schemes may include financial and non-financial components. When designing such schemes, governments should allow for flexibility to adapt to the varied needs of rural and remote communities. Community Child Care Co-operative considered that ‘a range of incentives and allowances should be offered as appropriate for individual communities’ (sub. DR183, p. 11).

With recruitment difficulties common to all jurisdictions, it is difficult to determine what impact the various incentive schemes are having. By offering such incentives, governments appear to consider that they have at least some effect on recruitment or retention in rural and remote areas. However, the Commission was unable to find evidence that the effectiveness of these programs has been evaluated, and their usefulness remains unclear. Even with the incentives in place, employers still note

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difficulties in recruiting and retaining staff in rural and remote locations (see box 9.1).

#### **Box 9.2 Additional incentives for rural and remote ECEC workers**

Various jurisdictions offer specific incentives targeted at early childhood education and care (ECEC) workers who choose to locate in rural and remote areas. While some of these incentives apply to all ECEC workers, others apply only to preschool teachers, and generally only those employed by governments.

##### *ECEC workers*

Under the transition to the modern Children's Services Award (2010), workers covered by that award in Western Australia and the Northern Territory continue to be entitled to the payment of a district allowance until 2014. District allowances are amounts paid to workers in rural and remote areas to recognise supply difficulties that exist in those areas. The allowance varies depending on location. In Western Australia, district allowances range from \$5 to \$90 per week. In the Northern Territory, the allowance is paid at either \$6.70 or \$16.60 per week. The payment is taxable, and made in addition to the worker's regular wage.

Victoria offers an incentive payment to some ECEC workers who take up work in a hard-to-staff location. A payment of up to \$6000 is made available to diploma-qualified staff, while a payment of up to \$12 000 is offered to early childhood teachers. Workers taking up an ongoing position must remain in their role for at least two years after receiving the payment.

##### *Early childhood teachers*

The Australian Government offers a reduction of \$1744.81 of HECS-HELP debt to early childhood teachers who work in some rural and remote areas. The benefit is calculated on a weekly basis and credited annually, with teachers who remain in the designated areas for a full year receiving the full benefit and those who remain for shorter periods receiving less.

In Western Australia, state government staff in some rural and remote areas receive allowances and benefits of almost \$10 000 per year, plus assistance with relocation of up to \$15 000.

Preschool teachers employed by the Department of Education and Training in the Northern Territory are offered various incentives, including a 100 per cent rental concession, study leave, fares to Darwin or Alice Springs, remote incentive allowance, and other incentives worth more than \$5000 per year in some areas.

*Sources:* ATO (nda); DEEWR (ndd); DEECD (2010e); Productivity Commission estimates based on Department for Communities (WA), sub. 59; DET NT (2011a).

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Many jurisdictions also have difficulties recruiting teachers for primary and secondary schools in rural and remote areas (box 9.3). In addition to financial incentives, non-financial benefits should be considered when providing incentives to workers to take up employment in rural and remote locations. In New South Wales, for example, teachers who fill a position in a rural or remote location for a specified period of time then become eligible for priority transfer to a school in a location of their choice (DET NSW nda). Such incentives have not been formally evaluated, but may be effective in government-operated preschools where staffing is centrally controlled.

**Box 9.3 Rural and remote staffing in the school sector**

The experience of primary and secondary schools in attracting qualified teachers to rural and remote locations has many parallels to that of preschools. The supply of school teachers is generally insufficient to meet demand in these locations (Hudson and Millwater 2009). Given that attendance at primary school is compulsory — while attendance at preschool is not — governments may choose to fill vacancies in primary schools before those in preschools, where teachers are qualified to work in either role.

The school teacher workforces in most jurisdictions have wages and conditions set by collective bargaining agreements, which generally specify district allowances for teachers located in rural and remote areas. In addition, some jurisdictions offer scholarships to students who then must teach in rural or remote locations (DET Queensland 2009; DET NSW ndb). Despite these incentives, shortages persist in schools in rural and remote areas.

The situation in relation to school teachers highlights the disincentives associated with working in rural and remote areas. An excess supply of school teachers exists in urban areas (Owen, Kos and McKenzie 2008). With some qualified teachers struggling to find employment in urban locations, the fact that vacancies persist in rural and remote areas demonstrates how undesirable they believe moving to a rural or remote location would be. This shows that even with large incentives on offer, teachers may still not be willing to relocate to rural and remote areas.

Bradley, Green and Leeves (2006) studied the effects of wages and district allowances on employment decisions by primary and secondary teachers in Queensland. They found that district allowances have a significant effect on the retention of female teachers in rural and remote locations. While the effect on retention is significant, district allowances have a lesser effect on recruitment. Therefore the cost effectiveness of district allowances as a measure for encouraging recruitment and retention in rural and remote areas was unclear.

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### *Targeted recruitment*

There is greater success in retaining ECD workers where they are initially recruited from the local community (Flaxman, Muir and Oprea 2009). This sentiment was supported by study participants.

The trend to higher and professional qualifications will have significant implications for already stretched staffing resources in many communities and especially remote communities. Critical to sustainability and quality of early childhood services in the longer term must be locally educated and recruited early childhood educators. (Professor Alison Elliott, sub. 70, p. 5)

Government could work with universities, particularly the regional universities, to develop incentive and support programs for students from rural and remote regions. (Early Childhood Teacher Education Council NSW, sub. DR162, p. 8)

In similar industries such as nursing, retention in remote areas is greater where a workforce is recruited from rural and remote backgrounds (Hegney et al. 2002). Incentives which encourage the training of ECEC workers drawn from the local population of rural and remote areas should therefore be explored. While yet to be evaluated, a focus on local recruitment of ECEC workers in these areas could be an efficient recruitment strategy.

By contrast, the Western Australian Department of Education has conducted a program of recruiting teachers at all levels from outside the jurisdiction. ‘Success has been demonstrated in the recruitment of staff from Tasmania and the United Kingdom in particular’ (sub. 44, p. 9). The success of such recruitment strategies may be dependent on the recognition of foreign qualifications, and on induction training, including in cultural competencies.

### *Delivering training in rural and remote areas*

Training workers in rural locations increases the likelihood of those workers choosing employment in rural areas (McClure and Reeves 2004). Through the Australian Government’s University Departments of Rural Health program, medical schools have been operating rural health departments for more than 10 years. Medical students who study at these departments are more likely to enter rural practice on graduation, regardless of their rural or urban backgrounds (Tolhurst, Adams and Stewart 2006; Urbis 2008).

Deakin University is now extending this model to other health disciplines, including optometry, pharmacy, exercise science and sports science, through its Regional Community Health Hub (REACH). Attached to the Waurn Ponds campus (near Geelong), the \$47 million facility accommodates 1500 students and 172 staff. The

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student selection process for courses run at this new centre will favour individuals from rural areas. The university's philosophy is that if students come from rural areas, and are trained in rural areas, they are more likely to take up employment there (Birks 2011).

While it would not be viable to build tertiary training institutions in all rural and remote areas, distance education is an option that can offer all residents of these areas opportunities to obtain ECEC qualifications, and allows students to maintain links with their local community (remote training delivery is further discussed in chapter 10). The North West Early Childhood Teacher Development Program in Western Australia (box 9.4) is one such program.

**Box 9.4      The North West Early Childhood Teacher Development program**

The North West Early Childhood Teacher Development program is offered by Murdoch University, in collaboration with the Western Australian Department of Education and Training and the Australian Government. The program trains early childhood education and care (ECEC) workers in the Pilbara and Kimberley regions of Western Australia to become early childhood teachers.

Students generally have a Certificate IV (Teacher Assistant) qualification, though some entering the program have diplomas and are given recognition of prior learning (RPL) for some units. RPL is also awarded where students can demonstrate that prior work experiences meet the objectives of specific units. All students continue to work part time or full time in ECEC services and generally undertake two units per semester. All learning is undertaken by distance education with academic staff visiting students infrequently.

Students receive scholarships of \$10 000 each over the length of the program. The program also arranges mentoring support from local teachers. Students select a mentor teacher from their community who is then paid to assist the student on a regular basis.

There have been two intakes of students, 10 in semester one 2009, and 11 in semester two of that year, that were funded by the Western Australian Department of Education and Training and the Department of Education, Employment and Workplace Relations respectively. The program has been successful in facilitating the training of new teachers in rural areas, where the participants would normally not have considered university study as an option. Despite positive evaluations of the program, further funding for additional intakes has not been forthcoming.

*Sources:* Price and Jackson-Barrett (2009); Jackson-Barrett et al. (2009).

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### *Pre-service experience in rural and remote areas*

When making a decision about whether or not to take a permanent job in a rural or remote area, city-based workers face significant uncertainty. They may be unsure about conditions in these areas, and whether they can cope with the change of lifestyle. If such a person is risk averse, they might decide against moving simply because they do not have enough information. Similarly, if a person is less risk averse, they may choose to move to a rural or remote area, then remain only for a very short period of time if they find they cannot cope in the area. This suggests that a lack of information can contribute to recruitment difficulties or costly staff turnover in rural and remote areas. Therefore, giving ECEC workers opportunities to temporarily experience working in a rural or remote ECEC service may increase recruitment in these areas, and lead to lower turnover.

Rural experience programs have already been tried successfully in primary and secondary schools, and may be useful to replicate in ECEC. For example, the ‘Over the Hill’ program allows pre-service teachers to experience living and teaching in rural and remote areas. Student teachers are billeted with local families, participate in community activities, and teach or assist at a local school. On completion of the program, many participants expressed a greater willingness to take up a position in a rural or remote area (Hudson and Millwater 2009). Though untested, a similar program for ECEC teachers may have comparable beneficial effects.

A scholarship scheme needs to be introduced to encourage [early childhood] educators to go to rural and remote areas for professional experience whilst at university. Additional scholarships for Indigenous early childhood educators could encourage students from remote areas to upskill and return to their communities. (University of Newcastle Early Childhood Programs, sub. DR160, p. 3)

There are significant financial and other costs for students associated with a rural placement. Halsey (2009) estimated the financial costs of a 26-day placement at approximately \$2500 per student. This amount includes lost income of approximately \$1000.

A combination of the measures discussed above may prove effective in addressing rural and remote ECEC workforce issues. Study participants were supportive of these measures. For example, SNAICC considered that ‘developing a capacitated local workforce is the most sustainable and effective strategy for the provision of ECEC services in rural and remote areas’ (sub. DR279, p. 10).

*To meet the workforce goals of the COAG ECEC reforms, rural and remote areas will need to attract and retain more workers. Governments should assess the cost effectiveness of existing incentives aimed at increasing recruitment and retention in rural and remote areas. These incentives should be compared against alternative strategies such as:*

- *targeted recruitment of workers from rural and remote backgrounds*
- *the delivery of training in rural and remote locations*
- *support for pre-service teachers to experience working life in rural and remote areas.*

## **Housing supply in remote areas**

A lack of suitable housing impacts negatively on labour supply in remote locations. The stock of housing is often inadequate, and the housing which does exist is often of poor quality. This has been apparent for several decades, and contributes to social and economic problems in those areas (Haslam McKenzie 2007; Pendergast, Lambert and Eringa 2004). The shortage of appropriate housing in remote areas is more prevalent in some jurisdictions, such as Western Australia and the Northern Territory (Child Australia, sub. DR168), than in others, such as New South Wales (Community Child Care Co-operative, sub. DR183).

Like other workers, ECEC workers require access to an appropriate standard of housing. This includes ECEC students undertaking placement as part of their course. In the absence of such housing, they will be reluctant to remain in the area, and their professional performance may be adversely affected. For example, the Australian Education Union considered that ‘overcrowding in remote area housing makes it difficult [for some workers] to find a quiet space to plan and prepare work’ (sub. 69, p. 14). Those workers contemplating taking up a position in such an area will also be less likely to do so if adequate housing is unavailable.

Study participants were vocal about the effects of inadequate housing in remote locations on the ECEC workforce.

Lack of available, adequate and/or affordable housing in regional, rural and remote WA and NT severely restricts ECEC service delivery ... It limits sector capacity to develop and implement innovative rural career development and secondment opportunities, or attract potential long or short term candidates. In the north of WA in particular, the labour market is very tightly driven by the demands of the resource and mining industries. Attraction and retention of staff is ... made significantly worse by housing shortage. (Child Australia, sub. DR168, p. 5)

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In rural and remote areas, access to teacher accommodation is another issue which impacts on the ability to attract and retain staff. Indigenous and non-Indigenous members of the AEU report difficulties in accessing teacher accommodation if they are living and working in [remote] communities due to state and territory education department regulations. (Australian Education Union, sub. 69, p. 14)

Access to housing in remote and very remote communities is a significant limiting factor for the delivery of government programs. Government agencies or service providers generally either have to provide housing for staff or recruit from the limited labour pool within the community. [In the MacDonnell Shire in the Northern Territory] only one community had a dedicated house for the childcare team leader. The remaining team leaders occupied share accommodation. The limited availability of accommodation contributes to the turnover of staff in remote and very remote communities. (ANAO 2010, pp. 52–53)

A mining company in a Pilbara town has withdrawn its contribution to housing costs for the child care coordinator, resulting in the centre needing to increase its revenue by approximately \$1000 per week to meet the rental cost for the staff member. This has resulted in child care fees increasing from \$375 to \$450 per place per week. (Department for Communities (WA), sub. 59, p. 3)

The inadequacy of housing in remote areas is brought about by poor access to construction products and services. As a result, housing costs — including construction, maintenance and rental — are significantly higher in remote areas of Australia than in regional and urban areas (box 9.5). Housing provision in remote locations is generally undertaken by state, territory, and local governments. Where mining operations exist, housing is sometimes provided by mining companies.

Because of the difficulty or impossibility of obtaining housing through private markets in remote areas, and the importance of housing to the attraction and retention of staff, the Commission considers that, in order to achieve the goals of the COAG ECEC reforms for children in remote areas, employers should ensure that housing is available to all ECEC staff in these areas.

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### Box 9.5      **Housing costs in remote areas**

There are very few data relating to housing costs in remote areas. The best available data comes from Indigenous community housing organisations (ICHOs) and State owned and managed Indigenous Housing organisations (SOMIHs), which manage housing provision for rural and remote Indigenous communities. Estimates of the average construction cost for a three bedroom dwelling in remote and very remote areas range between \$216 000 and \$544 300. The costs are between 65 and 85 per cent higher than those for similar dwellings in major cities and regional areas.

Maintaining existing housing is also costly. Average annual maintenance costs for dwellings managed by ICHOs in remote and very remote areas are estimated to be \$3150 per dwelling. This is approximately 25–40 per cent higher than maintenance costs in major cities and inner regional areas.

Private rental markets have been established in some remote mining communities where mining companies undertake provision of housing. Rental costs in these communities are several times higher than in major cities or regional areas. For example, average weekly rental costs in Karratha are \$800 for a one-bedroom dwelling, and \$1408 for a three-bedroom dwelling. This compares to rental prices for similar dwellings in Melbourne of \$425 and \$931.

*Sources:* Hall and Berry (2006); Johns (2009); Pilbara Development Commission (2011); Suburb View (nd).

In practice, this is likely to mean that governments, as employers or funders of ECEC services, will need to increase their contribution towards staff housing. However, in some areas, private employers may be best placed to supply housing assistance, such as that provided by a large resource company in Western Australia (Department for Communities (WA), sub. 59). In some locations, governments may only need to contribute towards rental costs, while in others, governments may need to provide for the construction of housing. While recognising that complex land tenure issues in some remote areas impede the construction of new housing (CGRIS 2009), the Commission nevertheless considers appropriate housing provision for ECEC workers to be necessary for the provision of services and the attraction and retention of staff.

#### RECOMMENDATION 9.2

***To attract and retain sufficient staff to achieve the goals of the COAG ECEC reforms for children in remote areas, governments should provide all ECEC workers in remote communities with timely access to appropriate housing at reasonable cost, including housing for students undertaking placement.***



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## 10 Training and developing the ECEC workforce

### Key points

- Formal education and training in early childhood education and care (ECEC) is delivered in both the higher education and vocational education and training (VET) sectors by a range of government and private providers. In 2009, around 27 000 students were enrolled in ECEC-related VET and 2300 students completed early childhood teaching degrees.
- The COAG ECEC reforms impose a range of training and qualification requirements on ECEC workers that have increased, and will continue to increase, the demand for ECEC training. In addition to the current enrolment level, around 45 000 new and existing educators and over 1000 extra early childhood teachers will require training.
- Study participants report that the quality of ECEC training delivered by registered training organisations (RTOs) is highly variable. While there are examples of excellence, concerns about poor quality training from RTOs are widespread. Unless the issue of quality is addressed, a significant proportion of increased expenditure on VET could be wasted.
  - A comprehensive review of the relevant training package is required, to ensure it reflects current ECEC practice and contains rigorous assessment requirements.
  - While recent changes to VET regulation promise to improve quality, the new national VET regulator, the Australian Skills Quality Authority, needs sufficient funding to ensure that training is delivered and assessed appropriately.
  - Encouraging traineeships, supporting culturally and linguistically diverse workers and ensuring that trainers and assessors understand current ECEC practice would also contribute to improved training outcomes.
- Despite increased availability of places and the introduction of a range of incentives and alternative entry pathways, enrolments in early childhood teaching degrees have been flat in recent years.
- Professional development (PD) is necessary to augment formal qualifications. PD is important in imparting specialised skills (particularly for staff working with children with additional needs), distributing knowledge and supporting career development. The cost of replacing staff while they attend training impedes access to PD.
- Accessing training is much more challenging in rural and remote areas. When sufficiently resourced, internet-based professional development and support has the potential to reduce some difficulties in accessing these programs.
- Given the extensive existing regulation of ECEC service providers, governments should not support registration of ECEC educators. ECEC teachers should be included in existing teacher registration schemes.

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## 10.1 Qualifications and the quality of early childhood education and care

The National Quality Standard (NQS) is designed to improve access to quality early childhood education and care (ECEC). High-quality early childhood programs have been found to have positive effects on children, especially for children from disadvantaged backgrounds (Elliott 2006; Magnuson, Ruhm and Waldfogel 2007; Melhuish et al. 2006).

The quality of staff involved in early years service provision is considered important in terms of enhancing a child's development (box 10.1). It is one among a number of factors of 'quality' care found to have significant impacts in the development of children (Melhuish 2004). These include:

- well-trained and committed staff
- adult–child interaction that is responsive, affectionate and readily available
- facilities that are safe, sanitary and accessible to parents
- ratios and group sizes that allow staff to interact appropriately with children
- supervision that maintains consistency
- a developmentally appropriate curriculum with educational content.

As discussed in chapter 4, the ECEC workforce contains a variety of workers delivering a range of diverse services across long day care (LDC), occasional care, preschool, family day care (FDC) and outside school hours care (OSHC).

Despite this diversity, the ECEC workforce may be broadly characterised as being made up of two groups of employees: highly skilled and tertiary trained specialists, and workers with lower-level or no qualifications. The introduction of the NQS aims to increase the level of qualifications held by lower skilled workers, and the number of more highly skilled workers, thereby reshaping the skill profile of the sector as a whole. As part of the National Partnership Agreement on Early Childhood Education (NPA ECE), jurisdictions that do not already require a 4-year teaching degree will also need to upgrade the required qualifications for teachers, from a 3- to a 4-year teaching degree. This reorientation will significantly increase the demand for qualified ECEC workers, and consequently, the demand for ECEC training in both the vocational education and training (VET) and higher education sectors.

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**Box 10.1    The relationship between qualifications and quality of early childhood education and care**

Minimum standards of qualifications for early childhood education and care (ECEC) workers are premised on the idea that qualified staff deliver better quality care.

Quality ECEC may be thought of as comprising structural and process elements. Structural quality refers to centre facilities and equipment, building designs and layouts, staff-to-child ratios and required qualification levels of staff. The process or ‘interpersonal’ quality elements include the social environment of a centre, the stimulus offered by learning and play activities as well as the quality of interactions between ECEC workers and children (Moore 2008).

The conceptual relationship between structural and process elements of care provides a rationale for introducing minimum qualification levels. It is reasoned that the structural elements of care affect the process quality — for example, qualifications attained by staff provide them with skills that improve the quality of their interactions with children (King and Meagher 2009). It is on this basis that governments across Australia emphasise the importance of qualifications in ensuring quality education.

However, the causal relationship between staff qualifications, quality of care and child outcomes is difficult to prove. For example, it is unclear whether workers who provide quality ECEC are more likely to attain qualifications, or that workers who provide quality ECEC do so because of those qualifications.

Despite these difficulties, the literature indicates a general acceptance of the positive relationship between qualifications and quality of care. A review of the approach to setting national standards and assuring the quality of care in Australian ECEC services found that:

qualifications and training of staff are key indicators of the quality outcomes for children in ECEC programs, assessed using measures across the developmental spectrum (emotional, social, cognitive, language, and physical). (Tayler et al. 2006, p. 59)

This is supported by evidence from the United Kingdom, where the Effective Provision of Preschool Education study established that the most effective centres in terms of child outcomes had highly qualified staff. This study found that:

Settings that have staff with higher qualifications, especially with trained teachers, show higher quality and their children make more progress. (Melhuish 2004, p. 44)

In addition, the qualifications of the centre manager are found to be of particular importance in determining the quality of care delivered at an ECEC centre (Sammons et al. 2003a, 2003b). The presence of qualified teachers also has a positive influence on quality of care delivered by other staff (Siraj-Blatchford et al. 2003).

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In order to meet the national standards that have already been agreed by the Council of Australian Governments (COAG), previously unqualified workers will be required to have, or be working towards, a Certificate III in Children's Services (or other equivalent qualification). A large number of ECEC workers will also be required to have a Diploma of Children's Services (or equivalent). In addition, LDCs will be required to employ degree-qualified teachers, a change that occurs in conjunction with a large increase in the demand for degree-qualified teachers due to the introduction of universal access to preschool (see chapter 3).

These changes are expected to lead to increased demand for ECEC training, particularly in the VET sector. A sharp increase in demand for ECEC training has the potential to reduce the general standard of training offered across the sector because of increased pressure on the supply of workers capable of providing ECEC training. It will also place additional demands on professional development and workforce support systems.

## **10.2 Vocational education and training in early childhood education and care**

### **Children's services qualifications**

Most ECEC workers undertake training in the VET sector at some point in their career, obtaining a certificate, diploma or advanced diploma in children's services (box 10.2) — and even more will be required to do so in future. These qualifications are delivered by organisations that are registered to deliver courses under the Australian Qualifications Framework — known as registered training organisations (RTOs). RTOs include public technical and further education (TAFE) institutions, other public RTOs and private RTOs.

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**Box 10.2 Vocational education and training (VET) qualifications in early childhood education and care**

There are a number of VET qualifications used in early childhood education and care settings.

- The *Certificate III in Children's Services* certifies the skills of workers who use organisation policies, procedures and individual children's profiles to plan activities and provide care to children, facilitating their leisure and play and enabling them to achieve their developmental outcomes. It includes the development of skills and knowledge in areas such as statutory practices and obligations, children's health, safety and wellbeing, care practices, child development, play and pedagogy, communication and inclusive practices.
- A *Certificate IV in Children's Services (Outside school hours care)* covers workers who conduct vacation programs as well as before and after school care activities for children of school age. Workers are trained to plan activities and provide care to children, facilitating their leisure and play, and enabling them to achieve their developmental outcomes. They may work under direct supervision or autonomously, and may have some supervisory responsibilities for volunteers and other workers.
- The *Diploma of Children's Services (Early childhood education and care)* covers workers in children's services who are responsible for planning, implementing and managing programs in early childhood services, in accordance with licensing, accreditation and duty of care requirements. At this level, workers have responsibility for supervision of other staff and volunteers. In most jurisdictions it is the minimum qualification required at director or service manager level for children's service centre-based care.
- The *Diploma of Children's Services (Outside school hours care)* covers workers who are responsible for day-to-day running of a before and after school care and/or vacation care service, including planning, implementing and managing programs that address licensing, accreditation and duty of care requirements. At this qualification level, workers have responsibility for supervision of other staff and volunteers. In most jurisdictions this diploma is the minimum qualification required under the national standards for outside school hours care coordinator positions (see chapter 7).
- The *Advanced Diploma of Children's Services* is a qualification designed to train workers who provide specialist services, supervision and support for other workers and volunteers, work intensively with clients and work with clients with complex needs.

Source: CSHISC (2010b).

The competencies required for ECEC qualifications are described in the Community Services Training Package (CSTP) (CSHISC 2010b) (box 10.3). The

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CSTP also details the broader framework of children's services qualifications and guidelines for the assessment of the competency standards.

### **Box 10.3 The Community Services Training Package**

Training packages are developed by industry skills councils to meet the identified training needs of specific industries or industry sectors. To gain national endorsement of a training package by the National Skills Standard Council (or by its predecessor, the National Quality Council), industry skills councils must provide evidence of extensive research, consultation and support within the industry area.

The Community Services and Health Industry Skills Council is responsible for developing and maintaining the Community Services Training Package. The package includes the relevant early childhood education and care qualifications: Certificate III in Children's Services, Certificate IV in Children's Services (Outside school hours care), Diploma of Children's Services (Early childhood education and care), Diploma of Children's Services (Outside school hours care) and the Advanced Diploma of Children's Services.

Like all training packages, it contains three compulsory, endorsed components.

- *Competency Standards*: each unit of competency identifies a discrete workplace requirement and includes the knowledge and skills that underpin competency in that requirement. The competency also outlines language, literacy and numeracy; and occupational health and safety requirements.
- *Assessment Guidelines*: provide an industry framework to ensure that assessments of competencies meet industry needs to nationally agreed standards.
- *Qualifications Framework*: outlines the units that must be successfully completed in order to award a qualification.

Registered training organisations (RTOs) use the material in the training package to develop a curriculum and course content. As a result, the same training package may be taught and assessed differently by different RTOs.

The Community Services and Health Industry Skills Council consults with industry and government to ensure the training package is responsive to changing work roles. This consultation includes receiving submissions, conducting interviews and meetings with key industry stakeholders, and a series of workshops with industry training advisory bodies across the country (see section 10.3 for more detail on processes for stakeholder consultation and training package revision).

*Sources*: CSHISC (2010b; 2010d; 2011); PC (2011c).

Opinions vary as to the suitability of competency-based training for ECEC workers (box 10.4). In part, this may be attributed to the nature of VET, which focuses on the student attaining a series of specified competencies, thereby allowing

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‘considerable scope for variation in course duration, contact hours, teaching staff and practicum experience’ (Victorian Government, sub. 87, p. 17).

**Box 10.4    Competency-based training in early childhood education and care**

Competency can be defined as ‘the consistent application of knowledge and skill to the standard of performance required in the workplace’ (NQC 2009, p. 6).

With its emphasis on ‘doing’ rather than ‘academic’ work, competency-based training can have a number of benefits, such as encouraging ‘people of lower education achievement to attain a qualification’ (Smith 2010, p. 60). Competency descriptions can also be useful for performance management. Gowrie Victoria acknowledged the benefits of competency-based training in the ECEC sector, considering that children’s services VET qualifications include ‘numerous examples of competency standards which embed broad-based skills and knowledge’ (sub. 41, p. 3).

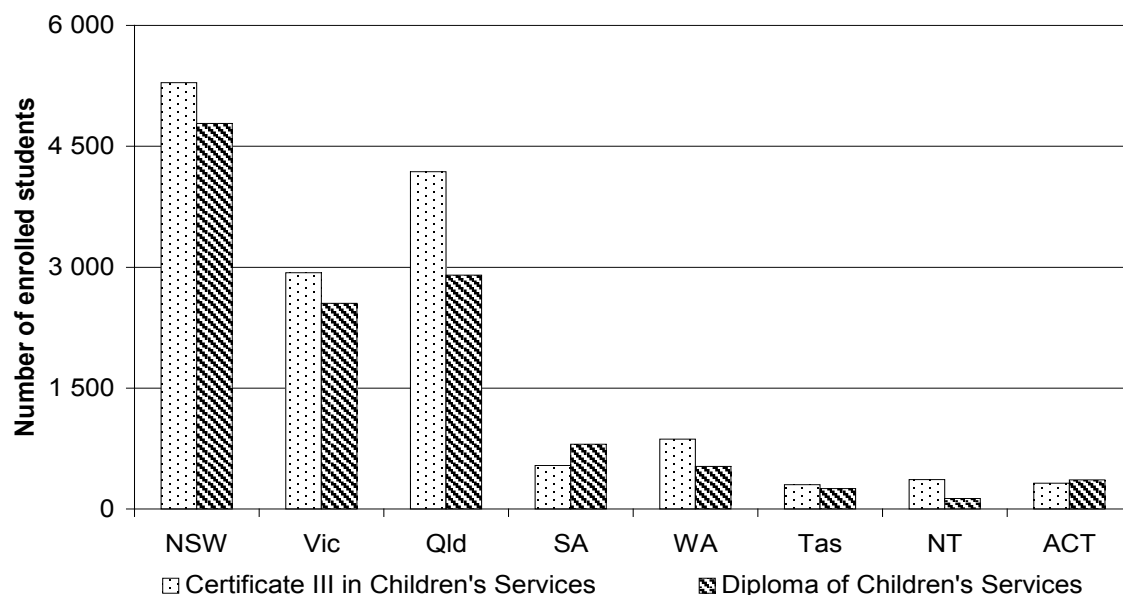
However, concerns have been raised about the ‘thin pedagogy and a narrow focus on assessment of individual items of performance’ in competency-based training (Smith 2010, p. 54). In the ECEC sector, competency-based training has been criticised for being too work-specific and not providing a sufficient theoretical foundation to support lifelong learning (Watson 2006).

However, concerns about competency-based training also overlap with concerns about the content and delivery of children’s services qualifications. These concerns are considered in section 10.3.

### **Demand for VET children’s services qualifications**

In 2009, the most recent year for which national VET data are available, there were about 15 000 students enrolled in a Certificate III in Children’s Services with an additional 12 000 students enrolled in the Diploma of Children’s Services (figure 10.1).

**Figure 10.1 Number of vocational education and training students enrolled in children's services courses, 2009<sup>a</sup>**



<sup>a</sup> Data refer to students enrolled in 2009. The Student Outcomes Survey (on which this figure is based) was conducted in 2010.

Source: Productivity Commission estimates based on unpublished 2010 Student Outcomes Survey data from National Centre for Vocational Education Research.

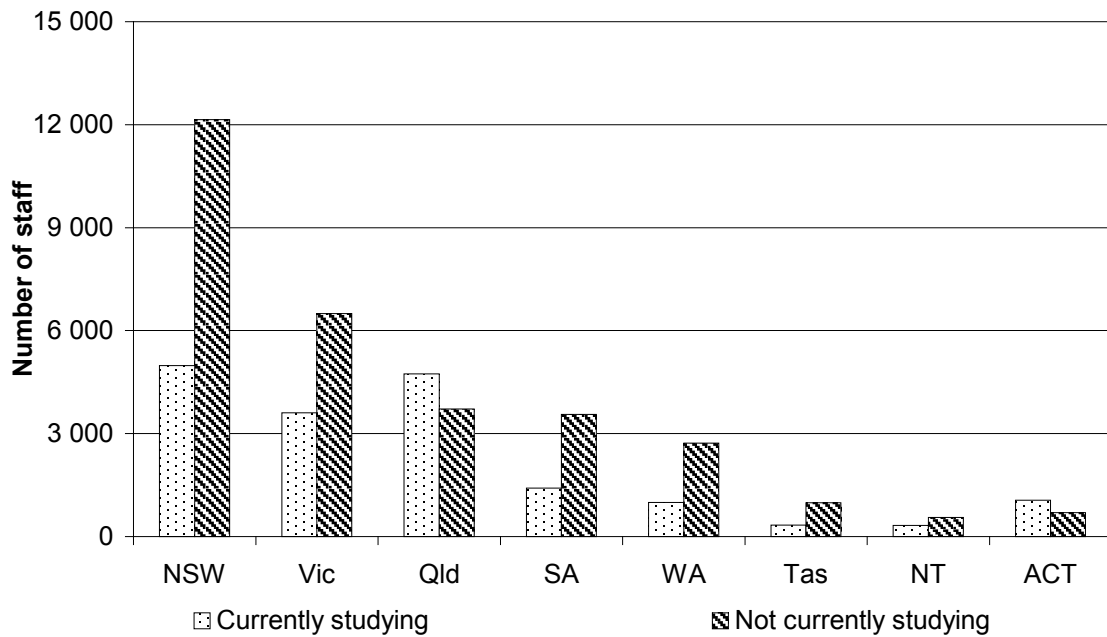
The NQS will require a large increase in the number of ECEC educators undertaking either a Certificate III in, or a Diploma of, Children's Services. Data from the 2010 National Early Childhood Education and Care Workforce Census suggest that there are over 48 000 educators employed in ECEC services without a relevant qualification (figure 10.2).

In 2010, about 17 500 of these unqualified educators were studying in an ECEC-related field, an increase of around 16 per cent since 2009. These workers would meet the national standard, which requires that ECEC staff without qualifications be working towards a Certificate III in Children's Services. There has also been a sizeable increase in the number of people enrolled in the Diploma of Children's Services. Between 2008 and 2009, the number of diploma students increased by 57 per cent to over 20 500 (CSHISC 2011).

The remaining 30 500 educators are currently without a relevant qualification, are not currently training to complete a qualification, and would not meet the requirements of the NQS if those requirements were currently in force. These remaining workers are expected to gain their qualification by enrolling in training, and through the recognition of prior learning (which is discussed later in this

chapter). In addition to the current enrolment level, as discussed in chapter 5, around 23 600 extra educators will require certificate III training.

**Figure 10.2 Early childhood education and care educators without a relevant qualification, 2010<sup>a</sup>**

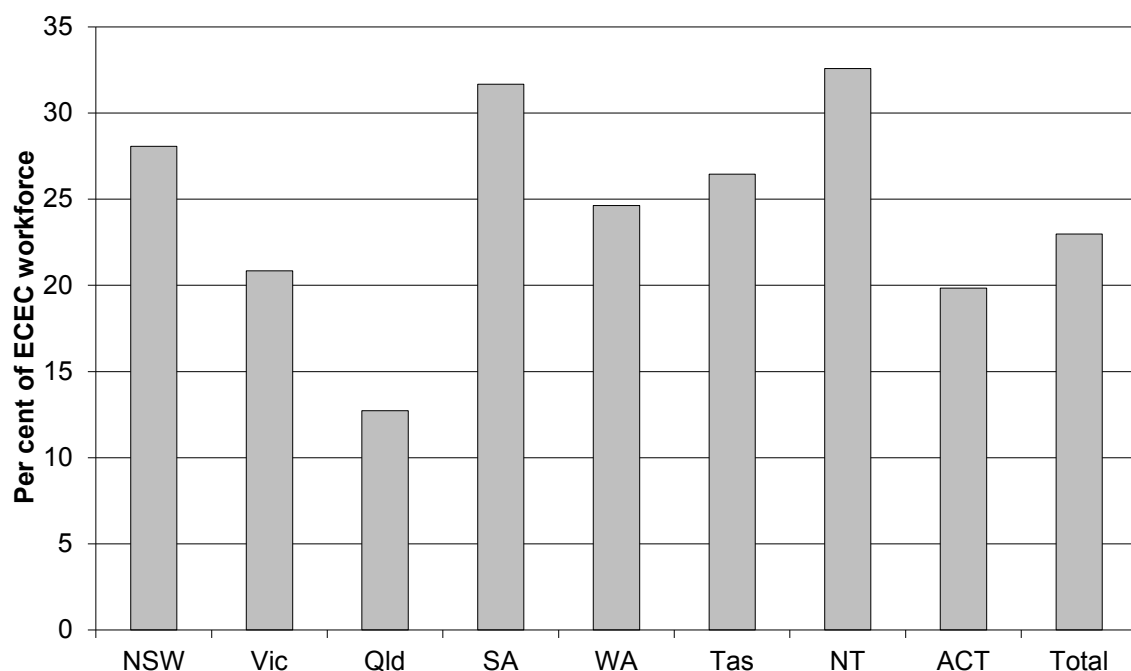


<sup>a</sup> Staff are considered to not have a relevant qualification if the highest level ECEC qualification they have completed is below a Certificate III in Children's Services. In order to meet National Quality Standard requirements, at least 50 per cent of educators will need to have a Diploma of Children's Services. Remaining educators will be required to hold the certificate III-level qualification.

Source: Productivity Commission estimates based on unpublished DEEWR data from the 2010 National ECEC Workforce Census.

Because of existing differences in qualification requirements, the unqualified educators who are not currently training are unevenly distributed across jurisdictions (figure 10.3). Only around 13 per cent of educators in Queensland do not have a relevant qualification and are not currently studying. This is attributable to current legislation, which requires a minimum qualification level of certificate III for educators in LDC and preschool services in that state (appendix F). In contrast, there are a number of other jurisdictions without this requirement, where more than a quarter of staff would not currently meet NQS requirements, and a substantial increase in demand for ECEC training is expected.

**Figure 10.3 Proportion of early childhood education and care educators without a relevant qualification<sup>a</sup>**



<sup>a</sup> Staff are considered to not have a relevant qualification if the highest level ECEC qualification they have completed is below a Certificate III in Children's Services. In order to meet National Quality Standard requirements, at least 50 per cent of educators will need to have a Diploma of Children's Services. Remaining educators will be required to hold a certificate III qualification.

Source: Productivity Commission estimates based on unpublished DEEWR data from the 2010 National ECEC Workforce Census.

## Funding of VET children's services qualifications

The Australian, State and Territory governments all play a role in the VET sector, though primary responsibility for VET funding lies with the states and territories.

State and Territory governments allocate funding for VET services and to support the maintenance of public training infrastructure. They oversee the delivery of publicly funded training and facilitate the development and training of the public VET workforce. State and Territory governments ensure the effective operation of the training market.

The Australian Government provides funding contributions to states and territories to support their training systems and also provides specific incentives, interventions and assistance for national priority areas. (SCRGSP 2011a, p. 5.7)

State and territory government policies determine students' eligibility for a government-subsidised training place. For example, in Victoria, government subsidies cover almost all of the cost of training for eligible students — generally those under 20 years of age or seeking a qualification higher than any qualification

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they already hold (Skills Victoria 2011b). Under certain circumstances, a student undertaking a Certificate III in Children's Services in a government-subsidised place at a public or private RTO in Victoria could pay as little as \$187.50 (Skills Victoria 2011a). Similarly, in New South Wales, an Indigenous student at a TAFE would be charged no fees to complete the same course (TAFE NSW 2010).

In contrast, students who are not eligible for a government-subsidised place face much higher fees. For example, a full-fee-paying student in Certificate III in Children's Services course at a private RTO could be charged around \$2500, while a full-fee-paying student in an Advanced Diploma of Children's Services at Swinburne TAFE in Victoria would be charged \$10 620 per year (Swinburne 2011).

In addition to funding provided by states and territories, the Australian Government directly subsidises the provision of some VET courses for early childhood education and care workers at public and private RTOs. It will provide around \$115 million between 2008-09 and 2013-14 to remove upfront tuition fees for students undertaking either a Diploma or an Advanced Diploma of Children's Services at a government-run training provider. As noted above, this additional funding has led to a large increase in the number of students enrolled in the diploma course. There is no requirement for recipients of these subsidies to work in ECEC once qualified (COAG 2009g).

Both the Certificate III in, and Diploma of, Children's Services were included as priority qualifications in the Australian Government's Productivity Places Program (PPP). The PPP provides funding for both job seekers (in which case the Australian Government funds training) and existing workers (in which case funding is shared between the Australian Government, the State and Territory Governments, and the employer) to improve their qualifications. ECEC is one of the most popular fields of training under the PPP — the Certificate III in Children's Services was the 'top' qualification for job seekers under the PPP between April 2008 and June 2009 (DEEWR, sub. 86, p. 28). However, the PPP will cease on 30 June 2012, with funding redirected towards the objectives of a new, yet-to-be-agreed National Agreement on Skills and Workforce Development (Treasury 2011a).

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## 10.3 Ensuring quality in vocational education and training

The introduction of qualification requirements for ECEC workers will only improve service quality and outcomes for children if training is of sufficient quality to improve the skills of new and existing employees. An appropriate institutional framework to ensure quality of training is therefore essential if the objectives of the NQS are to be met.

### Quality of training provided by registered training organisations

The quality of training provided by RTOs across the VET system is variable. On the one hand, Skills Australia recognises:

... many examples of excellence right across the [VET] sector, and training providers, industry leaders and governments can be proud of the substantial achievements in advancing [the VET sector's] ongoing development over the last decade. (2011, p. 1)

In particular, there are privately-operated RTOs that are recognised as providing high quality and innovative training for ECEC workers. For example, One World For Children Limited was a finalist in the Victorian Small Training Provider of the Year Award in 2010, after winning the same award in 2009 (DEECD nd). Further, VET traineeships in ECEC are recognised as having ‘contributed enormously to the professionalisation of these industries and improvement in both quality and consistency of service delivery’ (Apprenticeships for the 21st Century Expert Panel 2011, p. 35). At the same time, there are widespread and serious concerns about the quality of ECEC training provided by some RTOs (box 10.5).

Concerns about the quality of VET provision could arise for two main reasons.

- The content of a training package may not meet industry expectations, either because it omits essential skills or because industry members have unrealistic expectations about the skills that can be obtained through VET (particularly at the certificate III level).
- The content of a training package broadly meets industry expectations, but the delivery or assessment of the package lacks rigour.

The content of the CSTP, including the assessment guidelines it contains, is therefore of the utmost importance when considering how to address concerns about the quality of VET for the ECEC sector.

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**Box 10.5      Concerns about the quality of vocational education and training in early childhood education and care**

Many study participants expressed concerns about the quality of training provided by registered training organisations (RTOs).

UCCYPF has concerns that the training provided by some RTOs does not adequately prepare students to work in the ECEC sector. (UnitingCare Children, Young People and Families, sub. 62, p. 20)

[T]he training of staff has deteriorated dramatically with the proliferation of private enterprise [RTOs]. The quality of both Certificate III and Diploma graduates is so bad that many Children's Services Centres have fewer staff than they would like, rather than employing someone who is so poorly trained as to be a danger to the children. (Victorian Children's Services Association, sub. 43, p. 1)

[T]he quality [of vocational education and training] provided by some commercial RTOs is of particular concern, with fast-tracking and questionable levels of competency commonly reported. (Community Connections Solutions Australia, sub. 75, p. 12)

The rapid growth of fast tracking RTOs has resulted in some courses not providing sufficient course content and support for students. This has resulted in poor quality graduates. (KU Children's Services, sub. 26, p. 9)

Concerns have also been raised about the quality of different courses offered by RTOs and the lack of checks on course delivery in the vocational education area. (NIFTeY, sub. 36, p. 6)

Directors have reported having to regularly settle for the 'best of the worst' when it comes to recruiting and consider the current training regime to be of variable quality. (United Voice, sub. DR166, p. 19)

Participants argued that some RTOs simply 'tick the boxes' in providing certification.

While RTOs all try to do their best, there is inevitably pressure from some children's services employers to 'fast-track' the training of their staff, for the reason that 'they have been doing it for a long time and basically running the room.'... RTOs must resist the temptation of going down the pathway of 'ticking the boxes' without vigorously assessing any skill gap and provide the training required for their students. There is always something to be learnt, no matter how long the person has been on the job. (Gloria Ince, sub. 7, p. 2)

The 'tick and flick' style of some training organisations is not rigorous enough to ensure staff have the underpinning knowledge and theories of education required to be suitably qualified staff. (Gowrie SA, sub. 40, p. 12)

Unfortunately, there are a few RTO providers in the NT who take a 'tick and flick' approach to recognition of prior learning (RPL) and course delivery in general. (Batchelor Institute, sub. 46, p. 17; RRACSSU Central, sub. 42, p. 17)

The concern about quality of training delivered by some providers is strongly demonstrated by the fact that some jurisdictions limit their purchase of training to a list of 'preferred training providers' (for instance, State Training Services 2010). These providers are a subset of RTOs considered to deliver training of sufficient standard to receive public funding. This clearly shows that there are a number of RTOs that are deemed to provide training of insufficient quality, despite being licensed providers.

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## Content and delivery of VET children's services qualifications

### *Content of children's services qualifications*

Study participants raised a number of concerns about the content of VET children's services qualifications. For instance, Child Australia 'seriously question[s] the adequacy of the current VET training package to deliver the skills and attributes necessary for effective workplace participation' (sub. 78, p. 6). Other participants expressed particular reservations about the Certificate III in Children's Services, considering that it provides a scarcely adequate (Gowrie SA, sub. 40), or inadequate (Southern Cross University and Early Childhood Australia (NSW), North Coast Branch, sub. 16), preparation for work with young children.

Study participants also suggested that children's services qualifications should be expanded to include or increase coverage of the:

- skills required to communicate effectively with families and use this information in planning (Pat Jewell, sub. 85)
- needs of infants and toddlers (Community Child Care, sub. DR212)
- child development (Growth and Development Clinic, Mater Health Services, sub. DR367)
- management and leadership of ECEC services (Gowrie Victoria, sub. 41; UnitingCare Children, Young People and Families, sub. 62; Victorian Children's Services Association, sub. 43)
- particular requirements of family day care workers (FDCA, sub. 61)
- NQS, the Early Years Learning Framework (EYLF) and the Framework for School-Age Care (FSAC) (Australian Community Children's Services, sub. DR153; Child Australia, sub. DR168; Community Child Care, sub. DR212). This would also include coverage of the theoretical foundations of early childhood pedagogy (GoodStart Childcare, sub. 34; Karen Kearns, sub. 8).

These latter three points have been recognised by the Community Services and Health Industry Skills Council (CSHISC), which has given consideration to how each issue can be addressed in the CSTP (CSHISC 2010a; 2010d; 2011). In relation to the family day care sector, through its Family Day Care Workforce Development Project, the CSHISC is working to support workforce growth and skill development within the FDC sector (CSHISC 2010e).

Like other industry skills councils, the CSHISC is also required to simplify and shorten every training package it administers to reflect the new model for training

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package material (box 10.6). This new ‘streamlined’ model will affect the design and structure of training packages, but not necessarily their content.

**Box 10.6    A new design and structure for training packages**

In June 2009, the Joint Steering Committee of the National Quality Council and the COAG Skills and Workforce Development Subgroup recommended that the content of training packages be simplified and streamlined. In particular, the committee recommended separating the performance standards in units of competency from other information that provides guidance or support for registered training organisations.

Since then, the National Quality Council has published a ‘Design Model for Streamlined Training Package Material’. The new design model is intended to make training packages:

- simpler — content will be made more accessible by presenting it in a logical manner and in plain English
- shorter — the level of detail and the amount of repetition in existing content will be reduced
- segmented — content will be organised to enhance its accessibility, relevance and use. This includes separating the performance standards in a unit of competency from assessment requirements, and from the guidance and supporting information.

Assessment requirements will be strengthened, and will involve candidates being assessed using both ‘performance evidence’ and ‘knowledge evidence’ for each unit of competency.

Units of competency, assessment requirements, qualifications and credit arrangements will require endorsement from the National Skills Standards Council. Other supporting information, such as guidance for registered training organisations on learning and assessment strategies, will not be endorsed, but will undergo a quality assurance process.

Industry skills councils have until the end of 2012 to update the design and structure of all training packages to reflect the new model.

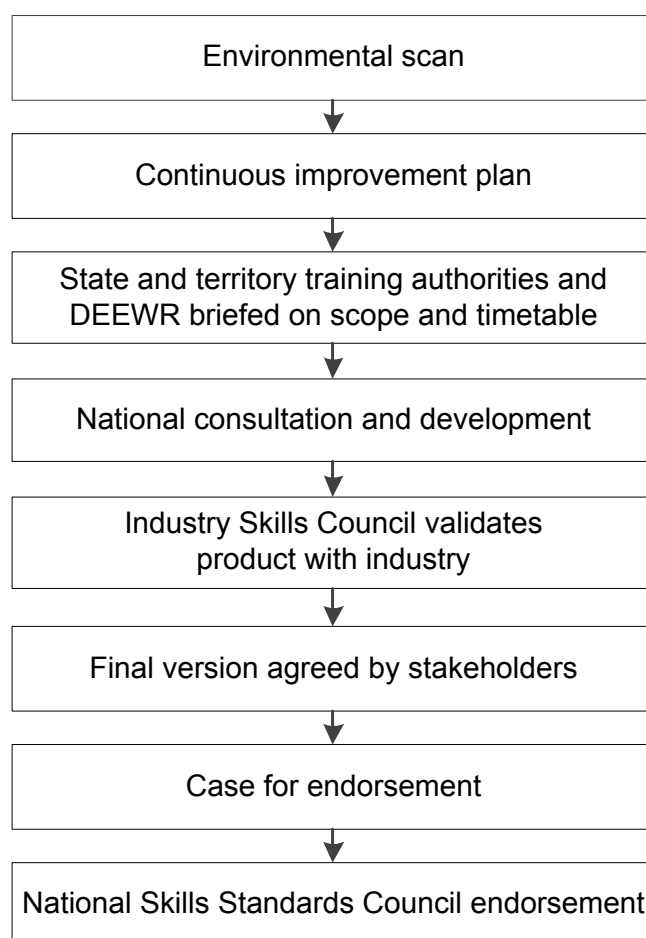
*Sources:* NQC 2009; 2010a; 2010e.

Even with the new training package design model, the process by which the content of training packages is updated remains lengthy. The first stage of the process is the production of a number of scoping documents by industry skills councils. If these documents identify that revision of training package content is required, industry skills councils prepare a revised package and consult with stakeholders, with assistance from members of the Industry Skills Council Quality Assurance Panel. The revised package must then be endorsed by the National Skills Standards

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Council (NSSC) (or until recently by its predecessor, the National Quality Council) (figure 10.4).

**Figure 10.4 Training package development and endorsement process**



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Source: Adapted from DEEWR 2010f.

In many cases, developing or substantially revising a training package can take several years. This timeframe can have adverse effects on graduate quality.

... the lead time to update the training package leaves large gaps between required industry performance standards and competencies of new graduates. (Child Australia, sub. DR168, p. 5)

The lengthy process for updating the content of training packages also means that most of those who undertake children's services training in preparation for the implementation of the NQS will do so in accordance with a training package that does not contain explicit reference to that framework. In particular, coverage of the NQS, EYLF and FSAC will be at the discretion of RTOs. Given widespread concerns about the quality of VET qualifications in children's services, such discretion is unlikely to lead to optimum workforce outcomes. The Commission

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therefore considers that priority should be given to updating the CSTP to reflect recent changes to the regulatory environment for ECEC (see recommendation 10.1 below).

### *Delivery of VET children's services qualifications*

The way in which children's services courses are delivered affects both the value — in terms of improved skills — derived from training, and the accessibility of training. Concerns have been raised about the length of courses and the amount of practical experience provided to students. In particular, there are concerns that some courses are unreasonably short (City of Casey, sub. 35; Community Child Care Co-operative, sub. 53; Community Connections Solutions Australia, sub. 75; Prue Walsh, sub. 3) and that students are not being provided with sufficient guidance.

RTOs are often not able to provide the support and nurture required by their recruits, many of them school leavers or long-term unemployed, and far from being work ready. Employers are less inclined to hire graduates from these short programs when they can take their time to train up their own employees ... (Gloria Ince, sub. 7, p. 2)

Some degree of variation between RTOs in the delivery of the same VET qualification is normal and expected, as each RTO uses the material in the training package to develop its own curriculum and course content. As a result, the same training package may be taught and assessed differently by different RTOs. VET graduates' skills will also vary depending on which elective units they have chosen to complete (and some important units, such as the provision of care for babies, are currently electives). However, even in light of these factors, the current variation in standards of VET delivery appears excessive.

Ensuring that ECEC training in the VET sector is delivered appropriately is important in terms of both ensuring the provision of quality ECEC services and that training subsidies are well spent (that is, ensuring that the public receives value for its investment in training ECEC workers). If the continued increase in demand for ECEC training leads to an increase in the provision of unreasonably short ECEC courses that provide graduates with little practical experience and poor skills, the public expenditure on this training will not result in a suitably skilled ECEC workforce.

### *Course length*

The number of hours of training required to achieve a qualification are not currently specified in training packages. While state and territory governments set 'nominal hours' of training and practicum (box 10.7), these are recommendations rather than

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requirements, and can vary between jurisdictions. For example, in Victoria the Certificate III in Children's Services nominally involves between 499 and 673 hours of training (DIIRD 2010). In Western Australia, the Department of Training and Workforce Development suggests that the same qualification should take 640 hours to complete (WA DTWD 2010).

Some RTOs offer more than the minimum nominal hours. For instance, one provider in Sydney advises prospective students that 880 hours of training and practicum will be required to obtain a Certificate III in Children's Services (TIBC nd). However, many RTOs appear to fall far short of providing the minimum nominal hours. Bretherton found that the same certificate can be completed in 'as little as two weeks, or in some cases a few hours, if undertaken completely online' (2010, p. 33).

**Box 10.7 A national approach to nominal hours?**

Nominal hours refers to the 'hours of supervised learning or training needed to cover the educational material in a training program when undertaken in standard classroom delivery mode'. Currently, industry skills councils develop training packages, and then each jurisdiction assigns nominal hours for each package.

[Each jurisdiction has] varying practices for determining nominal hours for qualifications and their funding — this is a cause of concern for industry, especially for companies operating across borders, and results in a high level of variability in hours of delivery between jurisdictions. It can also cause delay in the time from when a training package is endorsed and when it is available for delivery because of the time taken to determine nominal hours. (Skills Australia 2011, p. 164)

However, in practice there is a de facto national approach to determination of nominal hours, as several states base their decisions on the Victorian nominal hours advice, which 'is respected as being done well' (Skills Australia 2011, p. 164). Skills Australia recently supported the extension of a national approach to setting nominal hours.

Source: Skills Australia (2011).

Skills Australia recently recommended that governments allow industry skills councils to include advice on nominal hours in the training package development and endorsement process (Skills Australia 2011). This type of national approach would have the benefit of reducing duplication and unnecessary variation between jurisdictions. In addition, because the VET Quality Framework and the Australian Quality Training Framework allow RTOs to be assessed on their delivery of the training package, including nominal hours in the training package would help to ensure that every RTO delivers training of reasonable duration.

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Many study participants supported the introduction of minimum training and practicum periods (for instance, Child Australia, sub. DR168; Community Child Care, sub. DR212). However, other participants raised concerns about such an approach:

... it would be inappropriate for the Community Services and Health Industry Skills Council to specify minimum periods of training as this conflicts with the principles of competency-based progression, and is inconsistent with how the VET system delivers programs to meet industry skills needs. (DEEWR, sub. DR301, p. 19)

While acknowledging these concerns, the Commission nevertheless considers that providing greater clarity about the amount of time needed to cover the educational material in a training program would have benefits for the quality and consistency of VET delivery.

FINDING 10.1

*Specifying nominal hours of training and practicum in the Community Services Training Package would have benefits for the quality and consistency of training in the children's services sector. If nominal hours are specified in the training package, they should be decided in consultation with relevant stakeholders and be consistent across Australia.*

*Practicum experience*

Many study participants also observed that some new ECEC graduates have insufficient on-the-job experience and poor skills (for example, Australian Community Children's Services, sub. DR153; Community Childcare Co-operative, sub. 53; Community Connections Solutions Australia, sub. 75; Gowrie Victoria, sub. 41; RRACSSU Central, sub. 42; SDN Children's Services, sub. 31). This can mean that some qualified workers are not in fact ready for work.

... some newly qualified workers are very much work ready but ... others are not. This appears to be dependent on the particular university or the registered training organisation's course. The quality of education and training appears to vary greatly and is often due to the amount of practicum/work placement required in the course. (NSW Children's Services Forum, sub. 23, p. 9)

Community Child Care reported that some VET graduates have not had any practicum experience and therefore do not 'demonstrate work readiness' (sub. DR212, p. 14).

In order to ensure that workers can apply their skills in a practical context, a greater emphasis on practical experience needs to be encouraged. This could be done by encouraging more students to undertake traineeships (see section 10.4), or by

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adopting a more explicit definition of requirements for on-the-job experience in the training package (Gowrie Victoria, sub. 41). For example, in Victoria it is currently recommended that students undertaking a Certificate III in Children's Services undertake a minimum of 105 hours of practical placement (DIIRD 2010). However, as is the case for 'nominal hours' more generally, this is a recommendation provided by the Victorian Government to RTOs in that jurisdiction, rather than a requirement specified in the training package.

Requiring a minimum number of hours of practical experience will only improve students' skills if the practicum is supervised by appropriately skilled and experienced staff (Australian Community Children's Services, sub. DR153). As the City of Casey noted, 'courses that fast track and offer unsupervised practical experience [do] not result in quality outcomes' (sub. 35, p. 5). Where practicum quality cannot be guaranteed, other methods of ensuring quality learning outcomes (such as videos that demonstrate good practice) may be a useful supplement to practicums. Also, given the uncertain quality of some practicum placements, it is of particular concern that RTOs do not always visit workplaces to conduct assessments (City of Casey, sub. DR172). Indeed, the rigour of assessment standards for children's services qualifications is a particular cause for concern.

### *Assessment of competency*

The National Quality Council defined assessment as:

... the process of collecting evidence and making judgements on whether competency has been achieved, to confirm that an individual can perform to the standard expected in the workplace, as expressed by the relevant endorsed industry/enterprise competency standards of a Training Package or by the learning outcomes of an accredited course. (NQC 2010d, p. 1)

Assessment must be carried out in accordance with the evidence guide in each unit of competency and with the overarching assessment guidelines in the training package. (When training packages are redesigned (see box 10.6), the information currently found in the evidence guide will be relocated to the assessment requirements). Ideally, assessment should result in a 'holistic evaluation of learners' workplace capability and knowledge' (Smith 2010, p. 59).

However, holistic and rigorous evaluation does not always occur in practice. Smith reports that VET students in a range of fields have 'complained that the assessment tasks were too easy and that people were "let through" who should not have been' (2010, p. 61).

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For children's services qualifications, this situation can arise because the evidence guides in the CSTP allow considerable scope for variation in assessment methods. For instance, the unit CHCFC301A *Support the development of children* states that methods of assessment for this unit 'may include observations, questioning, project, written assignment, evidence gathered from a workplace environment, demonstration over a period of time to ensure consistency of performance' (CSHISC 2010b, vol. 3, p. 294). This implies that an RTO can certify competency on the basis of only one method of assessment. So while *Support the development of children* has a large focus on interactions with children, an RTO would be adhering to the current evidence criteria (in letter if not in spirit) if it assessed that unit solely on the basis of a written assignment.

The ability of RTOs to use a single, potentially inadequate, method of assessment lies at the heart of concerns about the quality of VET training. When the Australian Skills Quality Authority (ASQA) or a state VET regulator conducts an audit or responds to a complaint, they assess an RTO's compliance with the training package. If the evidence guides in the package (or assessment requirements in packages that use the new design model) are not sufficiently detailed and robust, and do not require an RTO to use a range of rigorous and appropriate assessment methods, then the regulator will have no grounds for sanctioning the RTO, even if graduates of that RTO do not possess industry-level skills.

There is therefore a strong argument for amending the CSTP to strengthen the assessment requirements for children's services qualifications. While the new design and structure of training packages should assist in strengthening assessment, other changes, such as requiring multiple methods of assessment for certain units of competency, could also be beneficial.

RECOMMENDATION 10.1

***The Community Services and Health Industry Skills Council should, as a priority, update the Community Services Training Package to ensure that children's services qualifications:***

- ***reflect recent changes to the regulatory environment for early childhood education and care (including the National Quality Standard, the Early Years Learning Framework and the Framework for School-Age Care)***
- ***contain rigorous, auditable assessment requirements for each unit of competency***
- ***require practical skills to be demonstrated in a workplace environment.***

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## Regulation of vocational education and training

### *Recent and significant changes to VET regulation*

VET providers are regulated in order to align the interests of students, employers and training providers. Until 1 July 2011, ensuring that VET providers met regulatory requirements was the responsibility of the VET regulator in each jurisdiction (PC 2011c). Since 1 July 2011, much of this responsibility is being progressively passed to ASQA, the new national VET regulator (box 10.8).

#### **Box 10.8 National regulation of vocational education and training**

A national regulator for the vocational education and training (VET) sector, known as the Australian Skills Quality Authority (ASQA), commenced operations on 1 July 2011. ASQA has a number of functions, including:

- registering training providers as ‘registered training organisations’ (RTOs)
- accrediting courses that may be offered/provided by RTOs
- auditing RTOs to ensure compliance with VET regulations
- collecting, analysing and distributing information about VET and the performance of RTOs
- assessing the financial risk of RTO applications.

Most states have referred (or will soon refer) these powers and functions to the Commonwealth, which has established ASQA under the *National Vocational Education and Training Regulator Act 2011*. Victoria and Western Australia are not referring powers — in those states, ASQA will only be responsible for registering VET providers that:

- offer courses to international students, or
- also operate in a state or territory other than Victoria or Western Australia.

The Victorian Registration and Qualifications Authority and the Training Accreditation Council in Western Australia will continue to regulate VET providers that:

- only deliver services to domestic students, and
- operate in Victoria, Western Australia, or Victoria and Western Australia only.

Sources: DEEWR (2011q); PC (2011c); Skills Australia (2011); *National Vocational Education and Training Regulator Act 2011* (Cwlth).

ASQA’s role is to ensure that VET providers meet the requirements of the VET Quality Framework. This framework includes standards for RTOs (the ‘Standards for NVR Registered Training Organisations 2011’, which are a legislative instrument made under the *National Vocational Education and Training Regulator*

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*Act 2011* (Cwlth)). The framework also contains requirements for RTOs to be managed by a fit and proper person, undergo a financial viability risk assessment and provide data to regulators (ASQA 2011d). The VET Quality Framework is largely based on the Australian Quality Training Framework (AQTF), which itself has been revised and strengthened several times (box 10.9).

**Box 10.9 Revisions to the Australian Quality Training Framework**

The Australian Quality Training Framework (AQTF) was created in 2001 to provide minimum national quality standards for registered training organisations (RTOs). It was revised in 2007, when requirements for continuous improvement were introduced, and underwent another substantial revision in December 2009.

The latest version, which came into effect on 1 July 2010, includes the *AQTF Essential Conditions and Standards for Initial Registration* and *AQTF Essential Conditions and Standards for Continuing Registration*. Among other measures, these conditions and standards include strengthened conditions that apply to both existing RTOs and organisations applying to be registered under the AQTF for the first time. The revised conditions of registration are now also audited in the same way that compliance with the standards is audited, providing stronger barriers to entry. These changes are designed to ensure that only quality providers are able to operate in the VET market.

Since 1 July 2011, the National Skills Standards Council (NSSC) has been responsible for providing advice to governments on national standards for VET regulation. Any future changes to the AQTF will therefore be developed by the NSSC.

*Sources:* Agbola and Lambert (2010); DEEWR (2010b); MCTEE (2010); NQC (2010b); NSSC (2011).

In addition to the strengthened AQTF, ASQA also has stronger powers to address concerns about poor-quality providers, compared with many of the state-based regulators that it replaced.

ASQA has a suite of regulatory tools to address non-compliance which include stronger enforcement powers (such as warrants and monitoring powers), the introduction of civil penalties as well as broader scope to impose criminal penalties, and a broader range of sanctions for non compliance. (DEEWR, sub. DR301, p. 23)

***Risk-based regulation***

When assessing applications for registration and monitoring the compliance of RTOs, ASQA uses a risk assessment framework made under section 190 of the *National Vocational Education and Training Regulator Act 2011* (Cwlth) (ASQA 2011c).

ASQA's process for assessing risk is to gather data about the operations of RTOs, including through undertaking audits. Based on a range of indicators, each RTO is

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assigned a rating that indicates the risk of its not delivering quality training and assessment services and outcomes. This rating — low, medium or high — determines the degree of regulatory intervention and compliance monitoring applied to the RTO. A risk rating is not assigned to an RTO until sufficient data on its performance in delivering training and assessment services and outcomes becomes available. For most RTOs, this is one year after their initial registration. Until then, each RTO is considered to have a high exposure to risk and is regulated accordingly. (ASQA 2011b)

In practice, this means that ‘the administrative burden for a provider seeking re-registration would be substantially decreased where the provider has demonstrated strong ongoing performance as a quality provider and is accordingly assigned a low risk rating’ (DEEWR, sub. DR301, p. 24). This focus on progressively reducing the regulatory burden for quality providers is appropriate, as it is likely to improve the efficiency of the regulatory system.

However, it has also been suggested that ECEC qualifications in the VET sector are at greater risk of being poor quality than qualifications in many other sectors. This is because ECEC training requires comparatively low starting costs — children’s services training does not require the workshops, kitchens or other costly equipment required in some industries. This means that it is relatively simple to enter the market for children’s services training. In addition, the ECEC reforms provide potential for large economic gains for VET providers, as noted by Mission Australia:

[T]he new National Quality Framework makes for an attractive business opportunity for Registered Training Organisations. This is likely to see an increase in the number of RTOs adding the relevant qualifications to their scope, including those with less impressive credentials and experience. (sub. 12, p. 3)

This will to create an incentive for RTOs to expand their enrolments, potentially at the expense of training quality. As such, the risk associated with delivery of ECEC qualifications in VET is likely to be higher than would otherwise be the case.

Though ASQA will reduce regulatory intervention for providers of high-quality training, it also has the ability to focus on qualifications deemed to be high risk. ASQA therefore ‘has the scope to recognise the increased risk in ECEC training delivery and to act to ensure that these providers are capable of meeting the requirements of the VET Quality Framework’ (DEEWR, sub. DR301, p. 23). Study participants supported consideration of ECEC qualifications as high risk, with the New South Wales Government noting that ‘there would seem to be merit in ASQA paying particular attention to ECEC qualifications and providers’ (sub. DR326, p. 11).

***Because the increased demand for VET qualifications within the timelines specified for the COAG ECEC reforms will pose risks to training quality, the Australian Skills Quality Authority and relevant state VET regulators should take account of these factors when undertaking risk assessments.***

### ***Addressing concerns about the skills of children's services VET graduates***

The concerns of study participants about the quality of ECEC VET graduates can be partly addressed through improving course design, delivery and assessment (as outlined in recommendation 10.1 above) and through recent changes to the VET regulatory framework (including the strengthening of the AQTF and creation of ASQA). However, there is no doubt that participants feel that some existing RTOs should not be providing ECEC training.

Members of the NSW Children's Services Forum have expressed concerns regarding some registered training organisations whose programs do not qualify people to meet the needs of the sector. There is a need to monitor training providers to ensure the quality of graduates. In response to the increased demand for qualified workers, it is critical that the integrity of training is not further compromised. (NSW Children's Services Forum, sub. 23, p. 11)

In addition, there are risks that pressure on VET providers to supply many more graduates in a short time frame will further erode the quality of the system. These risks are all the more concerning given that they were shared by the governments who have instigated these supply pressures (for instance, DEEWR, sub. DR301).

These risks and concerns suggest that a more rigorous approach is needed to ensure VET-qualified ECEC workers are equipped with the required skills. While audits of RTOs and courses were conducted regularly by state VET regulators (and will continue to be conducted by ASQA and the remaining state VET regulators), students have continued to graduate without the requisite skills, despite being certified as competent. Study participants suggested that current regulatory arrangements are not preventing some VET providers from offering poor-quality training (box 10.5; Community Connections Solutions Australia, sub. 75; NIFTeY NSW, sub. 36). While the strengthened AQTF *Essential Conditions and Standards* have been in place for just over a year, study participants did not make mention of these changes, suggesting that their eventual impact may take some time to flow through to training outcomes.

The Commission's recent report on the VET workforce encourages ASQA and relevant state VET regulators to publish information on audit outcomes and performance indicators, to provide additional incentive for training providers to

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focus on the provision of quality training (PC 2011c). Access to better information about training quality is likely to improve the ability of students to choose quality training providers. However, as demand for VET-qualified ECEC workers is likely to increase significantly under the NQS, there will be an increased incentive for workers to obtain low-cost and low-quality credentials so as to gain employment in services more focused on fulfilling regulatory requirements than providing high quality care (Mission Australia, sub. 12).

In the presence of such a demand ‘shock’, improved information alone will not ensure that all training delivered is of a required standard. Additional measures to ensure ECEC training and graduate quality were suggested by study participants. They include:

- restricting access to training subsidies to a ‘preferred’ list of RTOs that meet a pre-agreed standard of performance. This is the approach in place in New South Wales, where state-funded traineeships may only be accessed through providers approved through a tender process (State Training Services 2010)
- restricting access to child care benefit and child care rebate payments to services provided by staff qualified from a list of preferred providers
- various methods of tightening the RTO regulatory structure to increase the likelihood that RTOs whose graduates do not meet minimum standards will be deregistered, including:
  - increasing the focus on graduate quality as a means of assessing RTO performance (Gowrie Victoria, sub. 41)
  - using external assessors for on-the-job assessments (Gowrie Victoria, sub. 41) to limit the ability of RTOs to certify the competency of graduates who do not in fact meet competency requirements.

Using a ‘preferred provider’ list indicates a lack of confidence in the existing RTO registration system, and raises the question of how admission to a preferred provider list should be any different to that for all providers. If there are faults in the existing registration system it is far better to fix those, than go to the effort and cost of running what are effectively parallel regulatory systems.

As a preferred approach, the initial registration of RTOs providing ECEC training needs to set a ‘high bar’ in terms of quality service delivery. Maintaining a robust system of initial registration is likely to reduce the need for further, ongoing regulatory measures. In turn, this should reduce administrative and compliance costs of the VET registration system. While the most recent changes to the AQTF (see box 10.9) — which have been reflected in the VET Quality Framework — should assist in improving the quality of VET provision, ongoing vigilance is

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required to ensure that this is in fact the case. This role falls to the NSSC, which is responsible for providing advice to governments on national standards for VET regulation (NSSC 2011).

While the NSSC is responsible for setting standards for the initial registration of RTOs, these standards are implemented by ASQA and by state VET regulators in Victoria and Western Australia. ASQA intends to provide ‘greater national consistency and [an] increased focus on the way providers are registered’ (ASQA 2011a), which may provide a more robust initial registration process.

Another factor that may influence initial registration is that, in many cases, ASQA’s registration fees and charges will be higher than those of the state regulators it replaces. For example, the cost of obtaining registration will increase to \$5640, from around \$1100 in some jurisdictions. However, these fees and charges ‘are designed, as much as possible, so as not to act as a barrier to participation in the training market’ (DEEWR 2011c, p. 6). As such, registration fees and charges are unlikely to assist in preventing poor-quality RTOs from obtaining initial registration.

While it may be possible to focus regulatory efforts on the initial registration, the regulation of existing RTOs that provide substandard training also needs to be considered. In particular, teaching quality and graduates’ skills are difficult to assess before an RTO receives initial registration.

However, deregistering RTOs is not a simple or straightforward process. Participants in the Commission’s study of the VET workforce expressed concerns about the complex, lengthy and uncertain processes involved in deregistering an RTO that has not complied with minimum standards.

... Given the requirement for VET regulators to operate under rules of ‘natural justice’ the processes leading to deregistration can be lengthy. After an initial adverse finding by a regulator an RTO has an opportunity to rectify a problem and request to be re-assessed. If there is an unresolved dispute between the regulator and the RTO, the RTO can ask for the case to be adjudicated by a state Administrative Appeals Tribunal. If the RTO is dissatisfied with this result the RTO can take the regulator to a Supreme Court. (Phillip Toner, submission DR79 to PC 2011c, pp. 23–24)

Again, while the strengthened AQTF and VET Quality Framework may help to address such concerns, it is not yet clear to the Commission that RTOs that repeatedly fail to meet minimum standards can be deregistered promptly. For the short to medium term, therefore, it is important that complaints about RTO quality are addressed, and are used as an input to VET quality assurance processes (box 10.10).

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#### **Box 10.10 Handling complaints about vocational education and training**

Every registered training organisation (RTO) is required to have 'a defined complaints and appeals process that will ensure learners' complaints and appeals are addressed effectively and efficiently' (Standards for NVR Registered Training Organisations 2011, p. 11). Few study participants expressed concern about RTOs' complaint handling. However, several study participants reported difficulties in providing more general feedback on providers and courses. For example, Australian Community Children's Services:

... has tried to provide specific feedback to state/territory vocational training approval authorities and despite presenting specific examples of training providers, course content and inadequate training schedules [has] not successfully been able to present this information for action. (sub. DR153, p. 4)

With its national scope, ASQA may be better placed than its predecessors to provide a central point to receive and address complaints. The Tasmanian Ministerial Child Care Advisory Council:

... is hoping that the role of the ASQA will be much clearer than that of the previous system, thereby also providing a clear and transparent complaints mechanism. In the past it has been difficult for organisations to identify how to make a complaint about an RTO. (sub. DR173, p. 3)

ASQA has declared its intention to operate an 'enhanced' complaints process, and to use complaints as a means of identifying high-risk providers (Trounson 2010).

An additional concern is that VET provider registration requirements are primarily focused on inputs into the training process — such as finances, facilities, trainer qualifications, training strategies and modes of assessment — rather than on the competencies of VET graduates. However, it is the quality of graduates rather than the quality of training inputs that is the measure of the outcome of the training process. Quality indicators that reflect the ability of graduates to perform the tasks for which they are certified are likely to give a better indication of the quality of training than measures focusing on the quality of inputs. An overemphasis on the inputs into the training process has the potential to lead to poor measurement of training quality.

As such, Skills Australia — a body which advises the Australian Government Minister for Tertiary Education, Skills, Jobs and Workplace Relations on current and emerging workforce skills and development needs — supports:

... reducing the current focus on process and inputs ... [and] focus[ing] audits on achievement of high quality teaching and learning outcomes. (2011, p. 80)

In order to assess the quality of training outcomes, RTOs need to be accountable for their declarations of competency. Use of external assessors to either validate assessment practices or conduct certification, in conjunction with rigorous

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published audits and credible threats of deregistration, is likely to be an effective way of promoting more credible certification of graduate competency. However, external assessment of the competencies of VET graduates is unlikely to be feasible on a large scale.

- It would entail significant additional costs, primarily to employ the external assessors, but also to administer the external assessment system.
- It would also place a considerable additional burden on the graduates selected for external assessment, without any compensating benefit for those individuals.

External assessment of the competencies of VET graduates is therefore unlikely to be the most efficient way of ensuring graduate quality at a system level. Selecting a sample of graduates from high-risk RTOs to undergo external assessment may nevertheless be worthwhile in certain circumstances.

FINDING 10.2

*Since mid-2010, the framework for VET regulation has changed considerably. New organisations have been established to administer and oversee the new framework. While these changes have the potential to improve the overall quality of VET provision, including the provision of VET children's services qualifications, appropriate evaluation of their effectiveness will be required to ensure that improvement in the quality of VET provision actually occurs.*

### ***Resourcing the Australian Skills Quality Authority***

The regulation of RTOs across Australia is a substantial task — by the end of 2011, ASQA will be responsible for regulating around 3700 of the 5100 existing RTOs, (Skills Australia 2011). (The Victorian Registration and Qualifications Authority and the Training Accreditation Council in Western Australia retain responsibility for the remainder.) While ASQA has employed staff from the previous state regulators, it also faces the challenge of recruiting other staff with relevant expertise in the VET sector. Establishing authority and demonstrating competence will be a challenge, particularly when questions have been raised over whether funding levels will be adequate. As Skills Australia noted:

VET quality regulation is considerably underfunded in comparison to the higher education sector. While the [Australian Quality Training Framework] is a good starting point in terms of a set of standards, there has been a failure to invest adequately in effective implementation, evaluation and continuous improvement. (2011, p. 81)

The approach to funding ASQA will therefore be important. In particular, funding for ASQA needs to be designed in such a way as to allow strategic audits, which are targeted at information gathering around particular areas of concern, rather than

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audits of an individual provider. However, ASQA is progressively moving towards a full cost recovery fee structure, and by 2013-14, more than 80 per cent of ASQA's revenue will come from fees and charges (DEEWR 2011c). This is likely to restrict its capacity to conduct strategic audits, and thus to address current and emerging areas of concern about poor-quality training.

In its draft report, the Commission recommended that ASQA undergo a performance audit after two years of operation, with the intention of ensuring that it had sufficient resources to effectively fulfil all of its functions, including strategic audits. The Commission has since become aware that the NSSC is required to commission third-party audits of ASQA and state regulators in non-referring states at least every three years (NSSC 2011). The NSSC may also commission additional audits to examine emerging issues or respond to the concerns of stakeholders.

Accordingly, the National Skills Standards Council can be asked to undertake an ECEC-focussed audit if various indicators suggest it is necessary. (DEEWR, sub. DR301, p. 25)

Given the requirement for a three-year audit, requiring an additional earlier audit of a new organisation such as ASQA is unlikely to be efficient. However, the Commission remains concerned that ASQA will not be sufficiently resourced to undertake those strategic functions less suited to a cost-recovery model.

#### RECOMMENDATION 10.3

***Governments should ensure that the Australian Skills Quality Authority has sufficient resources to effectively fulfil its functions, including the conduct of strategic industry audits on a regular basis.***

### **VET trainers and assessors**

VET trainers and assessors are employed by RTOs to teach VET students and to certify student competencies, both in the context of certifying the competencies of students trained by an RTO, and in the context of recognising prior learning. Improving the knowledge and skills of the trainers and assessors is likely to promote the quality of VET graduates.

Trainers and assessors are a diverse group. They range from ongoing, full-time VET practitioners who deliver training and assessment, course development, Recognition of Prior Learning (RPL) and Recognition of Current Competency (RCC), to industry experts who provide specific training under supervision, generally on an occasional or temporary basis. (PC 2011c, p. XXXV)

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VET trainers and assessors in children's services are required to hold the Certificate IV in Training and Assessment and a VET Children's Services qualification, 'at least to the level being delivered or assessed' (MCTEE 2010, p. 6) or to be supervised by someone with that qualification. However, it is also sufficient that trainers and assessors be able to demonstrate the equivalent competencies for both qualifications (CSHISC 2010b; NQC 2010c).<sup>1</sup> This raises the possibility that people without a children's services qualification or the training and assessment qualification are permitted to deliver ECEC training in a VET setting, though the Commission has not received any indication that this is currently happening.

Though the qualifications of VET trainers and assessors were not a cause for concern, study participants did express concern about the future supply of trainers and assessors.

As an RTO working in this sector we are struggling to recruit trainers and assessors with children's services experience to RPL and train ... Because of the low wages in the sector and the high cost of obtaining the requisite Certificate IV [in Training and Assessment] qualification, senior and experienced sector staff who would be well placed to take on these roles cannot afford to get the necessary qualification do to so. (Community Child Care Co-operative, sub. DR183, p. 15)

Despite such concerns, the Commission considers that current arrangements should be able to deliver any increases in the supply of VET trainers and assessors that may be required in the future. Indeed, while demand for VET has increased markedly in recent years, RTOs have largely been able to keep pace with that increase. They also have strong business incentives to ensure they have a sufficient number of trainers and assessors to maintain their operations.

Requirements for industry currency for trainers and assessors are another source of concern and confusion. The standards to which RTOs must adhere require trainers and assessors to be able to demonstrate current industry skills directly relevant to the training/assessment being undertaken. However, this standard is not necessarily enforced in a robust or uniform fashion.

As the Commission recently found in its study of the VET workforce:

There is evidence of currency gaps in the current workforce, particularly among those who have worked full-time in the VET sector for more than 10 years. (PC 2011c, p. 246)

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<sup>1</sup> Strictly, the National Quality Council distinguished between VET trainers and assessors. Trainers are required to hold the Certificate IV in Training and Assessment or 'be able to demonstrate equivalent competencies' (NQC 2010c, p. 1), in addition to their children's services qualification. Assessors are also required to have the relevant vocational competencies but are only required to hold or be able to demonstrate equivalent competencies in three units of competency specifically related to assessment activities and validation (NQC 2010c).

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The concerns about the lack of industry currency are relevant to VET trainers and assessors in ECEC (Community Childcare Solutions Australia, sub. 75; Gowrie Victoria, sub. 41; Choy et al. 2008a). The lack of current industry experience among trainers and assessors results in:

... people being trained by registered training organisations with inadequate experience and knowledge of the industry and therefore graduates are coming out with low level skills. (City of Casey, sub. 35, p. 3)

Child Australia acknowledges and applauds the work of high quality RTOs however has had regular and consistent demonstration that some VET trainers/assessors do not engage in the necessary professional learning to keep their knowledge, teaching and assessment practices current. ... This is confusing for learners, and highlights gaps between the VET sector learning and contemporary practice. (sub. DR168, pp. 6–7)

If VET students are to learn about the EYLF, FSAC and NQS during their studies, existing VET trainers and assessors will need to update their knowledge of current ECEC practice to incorporate these frameworks and standards. Professional development for VET trainers and assessors is therefore necessary to educate them in contemporary ECEC practice. The Australian Government has recognised the need to improve the ability of assessors to deliver consistent and effective recognition of prior learning (see below). However, only limited support is being provided for the — arguably more important — task of ensuring that trainers and assessors understand, and can work within, the NQS. The Commission therefore considers that professional development for VET trainers and assessors should also be provided. This view was supported by study participants from the VET sector (Sherryn Pyke, sub. DR150) and government (NSW Government, sub. DR 326).

Several study participants were keen to play a role in providing professional development for VET trainers and assessors (such as the University of Newcastle Early Childhood Programs, sub. DR160). Similarly, Child Australia suggested that ‘[Professional Support Coordinators] could extend their brief and provide training and professional support to VET assessors as a way to bridge the gap between VET and in-service training’ (sub. DR168, p. 6).

In its draft report, the Commission suggested that professional development for VET trainers and assessors should be funded by the Australian Government. However, given the important and continuing role played by state and territory governments in the VET system and the regulation of ECEC, the Commission now considers that these governments should also be involved in ensuring that VET trainers and assessors have access to professional development on the EYLF, FSAC and NQS.

*The requirement for VET trainers and assessors to demonstrate knowledge of current ECEC practices should be enforced by VET regulators. Governments should work with registered training organisations to design and implement a program of professional development for VET trainers and assessors working in ECEC to identify and address gaps in their knowledge of current ECEC practice.*

## **Recognition of prior learning**

Recognition of prior learning (RPL) is an important element of competency-based training. In RPL, the skills and knowledge that a student has acquired through previous training, work or life experience can be used to obtain status or credit in subjects or modules, or even full VET qualifications (PC 2011c). RPL is implemented by assessing whether or not a student is competent, relative to standards prescribed in the training package.

Study participants considered that RPL facilitates the retention of those with experience in the ECEC sector by acknowledging their accumulation of relevant human capital (KU Children's Services, sub. 26; Western Australian Department of Education, sub. 44). RPL also minimises costs to both the employer and the employee by removing the need for duplication of training (Australian Qualifications Framework Advisory Board 2007).

Despite its importance within the context of competency-based learning, there are a number of potential problems with RPL. Recent submissions to the Skills Australia 'roadmap' for VET highlighted variable RPL assessment practices as 'contributing to a lack of confidence in the VET sector' (Skills Australia 2011, p. 79). Variation in RPL assessment may be attributed in part to:

- inconsistent approaches to the assessment of competencies across the VET sector (Australian Education Union, sub. 69; Child Australia, sub. DR168)
- a lack of necessary skills on the part of trainers and assessors (DEEWR, sub. 86; PC 2011c).

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Other possible impediments to the effective use of RPL include:

- financial incentives to apply RPL inappropriately in order to ensure enrolments, described as a ‘tick and flick’ approach to RPL (Batchelor Institute, sub. 46, p. 17)
- limited access to RPL assessments, particularly in the case of Indigenous applicants and in areas where low levels of language, literacy and numeracy exist (DEEWR, sub. 86)
- lack of awareness of the availability of RPL on the part of potential candidates (FDCA, sub. 61; LHMU, sub. 55).

The Australian Education Union cautioned that:

Whilst the AEU supports the appropriate application of RPL, we do not support RPL programs that damage the quality of pre-service ECE courses or undermine the integrity of ECE qualifications ... Processes must be made clear and transparent, and proactive methods put into place to ensure that workers who may benefit from such processes are aware of them. (sub. 69, p. 12)

Study participants have suggested that there may be at least two ways to maximise the benefits attained from RPL. First, given issues with variation in assessment of competencies delivered by RTOs, a national RPL tool may promote nationally consistent assessment of skills. Funding for the development of such a tool was included by the Australian Government in its 2011-12 budget (box 10.11). Second, the RPL tool will need to be used by trained assessors, allowing a more consistent recognition of competency. However, as discussed above, there are concerns about the supply of trained assessors, which could affect the number of ECEC workers who can access RPL.

The RPL tool may also reduce problems associated with RTOs requesting unrealistic quantities of information and evidence from students (DEEWR, sub. 86). Development of a nationally consistent RPL tool was welcomed by study participants (for instance Child Australia, sub. DR168; Gowrie SA, sub. DR105).

Participants also emphasised the importance of involving RTOs in the development of the tool (Sherryn Pyke, sub. DR150) and providing timely information to potential users:

Rural and remote children’s services staff ... are making decisions now about how they will obtain required qualifications, and by delaying the release of detailed information about the process until after the RPL tool has been developed, the Commonwealth Government is hindering the process. (Community Child Care Co-operative, sub. DR183, p. 12)

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#### **Box 10.11 Improving recognition of prior learning for ECEC workers**

The Australian Government included two measures to improve access to recognition of prior learning (RPL) for early childhood education and care (ECEC) workers in its 2011-12 budget. These measures seek to improve the quality and uptake of RPL within the sector, particularly for staff in regional and remote areas.

First, \$2.0 million is allocated over three years to:

- develop a skills assessment tool to promote consistent RPL practices (the 'national RPL tool')
- train 600 already-qualified RPL assessors to make RPL delivery in certificate III, diplomas and advanced diplomas in ECEC more efficient, consistent and effective.

It is expected that the training of RPL assessors in the use of the tool will commence in early 2012.

Second, \$7.2 million is allocated over the next four years to assist existing ECEC workers in rural and remote areas access RPL assessments. Up to 2000 existing ECEC workers will be eligible each year for a rebate of their costs associated with completing the assessment process, such as travel expenses or information technology costs. Eligible recipients will receive a one-off rebate of 75 per cent of their expenses up to a maximum rebate of \$1125.

*Source:* Treasury (2011a).

FINDING 10.3

*Recognition of prior learning (RPL) provides a means by which both the direct and opportunity costs of training may be reduced for workers who already possess the relevant competencies. The proposed development of a national RPL assessment tool for children's services training is likely to promote efficient, effective and consistent RPL.*

## **10.4 Other issues in VET for the ECEC workforce**

### **Equipping culturally and linguistically diverse workers to meet the new standards**

Many educators come from culturally and linguistically diverse (CALD) backgrounds, and this diversity was highly valued by study participants (Brotherhood of St Laurence, sub. 32; City of Greater Geelong, sub. 20; Early Childhood Australia (NSW Branch), sub. DR190; GoodStart Childcare, sub. 34; Government of South Australia, sub. 66; Southern Cross University and Early

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Childhood Australia (NSW) North Coast Branch, sub. 16). Many CALD families also value care environments that allow children to remain immersed in their own culture, such as family day care provided by a member of the same community. ECEC services are provided in languages other than English in some cases (Health and Community Services Workforce Council, sub. 56).

For some educators who come from CALD backgrounds, whether they provide culturally specific services or work in mainstream services, obtaining the qualifications that will be required under the NQS will be particularly difficult. This difficulty was highlighted by several study participants.

The Brotherhood's experience in delivering services to migrants, refugees and the long-term unemployed has alerted us to the fact that many individuals who are otherwise suited to ECEC professions can find it difficult to obtain the relevant qualifications ... It is essential that approaches to teaching, learning and assessment are flexible enough to ensure that potential participants are not deterred or excluded based on their competence in the English language. (Brotherhood of St Laurence, sub. 32, p. 5)

There is a high literacy level required in undertaking qualification in [early childhood development] and sometimes support is not accessible for students from Aboriginal and CALD backgrounds. (SDN Children's Services, sub. 31, p. 7)

Though some educators from CALD backgrounds will require support in upgrading their qualifications and delivering services in line with the NQS, appropriate support mechanisms are yet to be established. There is therefore concern that many educators from CALD backgrounds will leave the ECEC sector (Health and Community Services Workforce Council, sub. 56). With demand for workers growing in the disability and aged care sectors (PC 2011a; PC 2011b), there will be many alternative, potentially more attractive, employment opportunities for these workers.

Therefore, in order to retain in the ECEC sector educators from CALD backgrounds who would otherwise be reluctant or unable to undertake training, there is a need for governments to develop ECEC training programs targeted at these educators. For example, in South Australia, educators from CALD backgrounds are being supported to obtain the Certificate III in Children's Services, which is being offered in conjunction with a certificate in English language proficiency. The program allows people from CALD backgrounds to obtain qualifications and to work in their own home-based childcare businesses, including family day care, and in childcare centres (Government of South Australia, sub. 66). Subsidies for language, literacy and numeracy training are also available for ECEC workers from CALD backgrounds in New South Wales (NSW Government, sub. DR326). Establishing similar programs in other jurisdictions is likely to have similar benefits.

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This functional approach to English language learning was supported by several study participants (for instance, Institute of Early Childhood at Macquarie University, sub. DR158). Others stressed the importance of ensuring that, if targeted programs are expanded, educators from different cultural backgrounds still have the opportunity to study and work together (NOOSHA, sub. DR356).

Other support for educators from CALD backgrounds, such as translating the NQS, EYLF, FSAC and related information into community languages, may also be necessary (Community Child Care Co-operative, sub. DR183). (Information about the EYLF has been translated into twenty community languages, but it is designed for families rather than educators.)

RECOMMENDATION 10.5

***To facilitate access to VET for educators from culturally and linguistically diverse backgrounds, governments should ensure that programs that combine English language and ECEC training are available to this workforce.***

**Practical component of VET training for those already in the workforce**

Several study participants considered that the inability to obtain replacement staff made it difficult for staff who already work in ECEC to complete practicum requirements, and suggested that funding should be provided to employ replacement staff (for instance, Australian Services Union, sub. DR213; Community Child Care, sub. DR212; KU Children's Services, sub. DR188).

To the extent that such funding would provide additional government training support for those already in the ECEC workforce compared to those who are not, it could be considered to be inequitable. Moreover, such funding would not address barriers to training experienced in many parts of the ECEC sector, such as the inability to find (rather than to pay for) replacement staff. For instance, for family day care providers:

Current regulation severely limits the use of relief or alternative care and lack of reliable relief care is a barrier to educator participation at daytime training sessions in both metropolitan and regional areas. (Victorian Family Day Care Educators Association, sub. DR180, p. 2)

While the Commission is not recommending that government funding be generally available to ECEC services to employ replacement staff, it does support the provision of such funding in certain limited circumstances (see chapter 8).

The Commission recognises that where RTOs require students to complete the practical component of their training in an LDC centre, this can create significant

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difficulties for FDC educators (who must close their business and incur reductions in income) and for the families who use FDC services (who must make alternative care arrangements) (FDCA, sub. 61). Training in an LDC setting could better equip FDC educators for employment in the full range of ECEC settings, and enable them to demonstrate competency in a wider range of areas than their current client mix may allow (for instance, care for babies). However, there are likely to be instances where FDC educators face particular problems in accessing centre-based practical training. For example, FDC educators in remote locations may have to travel long distances to attend centre-based training, meaning that they will face large costs associated with replacing staff, and in terms of travel, time and accommodation expenses. The feasibility of conducting home-based training and assessment has been demonstrated in a number of locations. For instance ‘in Tasmania, RTOs currently ... offer practical placements in the family day care setting and this seems to be robust and of sufficient quality’ (Tasmanian Ministerial Child Care Advisory Council, sub. DR173, p. 2).

#### RECOMMENDATION 10.6

***Where centre-based training is difficult to facilitate, registered training organisations should offer in-home practical training and assessment for family day care educators as an alternative to centre-based training and assessment.***

## Employment-based training

Traineeships are a system of vocational training combining off-the-job training with an approved training provider with on-the-job training and practical experience. Traineeships generally take one to two years, and are now a part of the Australian Apprenticeships system (PC 2011c).<sup>2</sup> Because both apprenticeships and traineeships combine work experience and off-the-job training, they can be collectively referred to as employment-based training (Choy et al. 2008a).

Traineeships comprise a small but growing share of VET in the ECEC sector.

The industry has not been an extensive user of the traineeship system for training new workers. Reasons include the level of pay and the lack of awareness of traineeships. Nevertheless, the number of traineeship commencements in Children’s Services in 2009 was almost three times higher than five years earlier. Most of this growth was driven by private RTOs. In addition, in 2009, traineeship completions for Children’s

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2 The term ‘Australian Apprenticeships’ is used by the Australian Government to refer to both apprenticeships and traineeships, with no distinction between the two pathways. However, this is not the case in all states and territories, as differences between apprenticeships and traineeships remain in many jurisdictions (Skills Australia 2011).

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Services were almost six times higher than five years earlier. (Government of South Australia, sub. 66, p. 9)

The growth of traineeships in ECEC has ‘contributed enormously to the professionalisation of these industries and [has provided] improvement in both quality and consistency of service delivery’ (Apprenticeships for the 21st Century Expert Panel 2011, p. 35). The introduction of the NQS is likely to support the further growth of traineeships, as traineeships allow workers to demonstrate that they are meeting NQS requirements and ‘working towards’ obtaining a qualification.

Study participants who had employed apprentices or trainees confirmed the value of this type of training.

As a result of the Trainee and Apprenticeship scheme, C&K has employed approximately forty new employees (who have either obtained or are obtaining a Certificate III or Diploma in Children’s Services) through C&K’s College of Early Childhood. (C&K Association, sub. 52, p. 16)

The apprenticeship and traineeship scheme in South Australia has been helpful to upskill unqualified staff to qualified. (Gowrie SA, sub. 40, p. 12)

Several study participants considered that workers who have completed traineeships had more practical experience, and thus better skills, than those who had gained their qualifications through other pathways. For example, the Australian Childcare Alliance considered that ‘traineeships and “learning on the job” produce more competent staff members’ (sub. 71, p. 14).

Employment-based training can also have a range of other advantages.

- Australian Community Children’s Services noted that traineeships can provide an important pathway for workers who prefer practical learning to classroom-based study (sub. 64).
- In an environment where concerns about RTO quality are prevalent, engaging trainees can allow employers to monitor the quality of training delivered to their staff (Bretherton 2010).
- Because trainees and apprentices have demonstrated their willingness to work in ECEC, they may be more likely to remain in the sector. Around 68 per cent of trainees who obtained a Certificate III in Children’s Services were employed in the sector the following year. In contrast, around 53 per cent of those who obtain a Certificate III in Children’s Services without undertaking a traineeship go on to obtain employment in the sector (Productivity Commission estimates based on unpublished 2010 Student Outcomes Survey data from the National Centre for Vocational Education Research).

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Despite these benefits, the potential for traineeships to lead to stable employment in the ECEC sector was questioned by at least one study participant.

A contributor to turnover is the number of certificate III trainees who complete their training on-site but are not retained by their employer. Retention would mean paying a full-time salary compared to the training wage. A further issue is that the trainee scheme encourages employers not to retain a trainee as they can then continue to access government employment incentives on a continual basis. The scheme can be used as a strategy for income generation rather than a commitment to training new staff who will become valuable full-time employees. (Community Connections Solutions Australia, sub. 75, p. 6)

While acknowledging these concerns, the Commission considers that, with appropriate assessment of the competencies of VET graduates based on an updated training package (recommendation 10.1), the potential for traineeships to be used in this fashion would be limited. Indeed, by offering high-quality traineeships (box 10.12), employers are better able to attract and retain skilled staff (Smith et al. 2009). This can encourage them to offer traineeships, even in the absence of government support. In many cases:

... funding incentives are not the main driver for either initial or continued participation in traineeships. Many employers participate even when no subsidies are available because they are convinced of the benefits. (Smith et al. 2009, p. 3)

This is important, as ECEC trainees and their employers are not eligible for a range of government incentives designed to address skills shortage in traditional trades (Australian Government 2011). Active engagement of employers is also a big factor in successful recruitment and retention, which suggests that training models in which employers play a more active role, such as traineeships, could reduce staff turnover.

Employers offering traineeships face a number of hurdles. In particular, providing trainees and apprentices with the required periods of study time while also maintaining staff-to-child ratios can be difficult (Choy et al. 2008b). Balancing work and study can also be challenging for students, especially for those who receive little study time during working hours (Choy et al. 2008a).

Staff wishing to upgrade an existing qualification from Certificate III to Diploma can opt to undertake an existing worker traineeship which allows them to complete a Diploma while continuing their employment. Options include distance learning and part-time on-campus studies. Both options are quite demanding as learners continue to work long hours. (Karen Kearns, sub. 8, p. 2)

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### Box 10.12 High-quality traineeships in the ECEC sector

The quality of traineeships is largely determined by the same factors that determine the quality of vocational education and training more generally. These include the content of the training (as codified in training packages) and the skills and industry knowledge of trainers and assessors.

Study participants commented on other factors that contribute to quality traineeships.

Traineeships enable students to combine practical experience with structured training. However, without proper monitoring, traineeships may be exploited. Traineeships are most successful when the organisation has thought through how they will support the trainee and have appropriate staffing levels that do not rely on the trainee to meet the minimum staffing requirements. It is also important that the trainee has a clear understanding of what is involved and how the traineeship will support their long term goals. (UnitingCare Children, Young People and Families, sub. 62, p. 24)

Other factors that lead to high-quality traineeships include:

- a well-designed and delivered off-the-job component as well as on-the-job learning
- close, constructive engagement between the training provider, employer and trainee
- a strong commitment on the part of the employer towards traineeships, including supportive supervisory staff and a suitable learning environment
- intermediaries, such as group training organisations, to provide the information and support that employers and trainees need to sustain a good working relationship.

Source: Smith et al. 2009

However, these challenges also increase the likelihood that those who complete traineeships are committed to, and will remain in, the ECEC sector, and thus increase the return on investment in training.

FINDING 10.4

*Growth of employment-based training models, such as traineeships, will have benefits for both employees and employers in the ECEC sector.*

## 10.5 Higher education for ECEC workers

### Early childhood teaching degrees

Early childhood teaching degrees are typically delivered by universities, though some RTOs are now offering both VET and higher education qualifications (for instance, Holmesglen in Victoria and Western Sydney Institute in New South Wales). In contrast to the VET focus on competencies, higher education in ECEC places a greater emphasis on pedagogical theory and developing a foundation for

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future learning. The increased theoretical basis may come at the expense of more practical skills — higher education qualifications have been criticised for failing to equip graduates with adequate work-related skills (Watson 2006).

Early childhood teaching degrees vary between institutions in structure, coverage and duration — while commonly offered as 4-year bachelor degrees, some institutions offer 3-year early childhood degrees. There are even different definitions of what constitutes a degree in early childhood teaching. For example, Watson and Axford define ‘an Early Childhood Education Degree ... as a program of study that qualifies graduates to teach groups of children between the ages of birth and eight years’ (2008a, p. 7). However, early childhood education degrees vary in the age ranges covered, equipping graduates to work with different age groups (which can have implications for the ability of graduates to register as teachers — see section 10.7 below). They typically qualify graduates to teach children between the ages of birth and five years or birth and eight years, although a number of institutions in New South Wales offer degrees which qualify graduates to teach children aged between birth and twelve years. Community Child Care Co-operative suggested that ‘student demand has been for courses which would qualify students to teach 0-8 year olds as this allows graduates to teach in the more lucrative public school sector’ (sub. 53, p. 7).

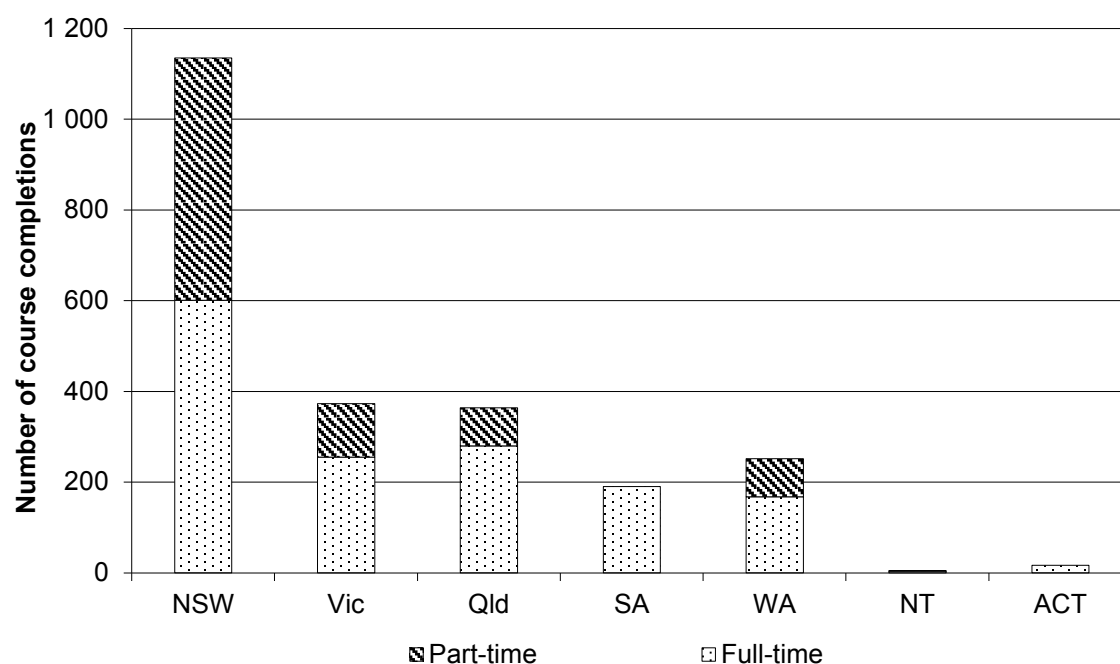
### **Increasing demand for workers with early childhood teaching degrees**

In 2009, around 2300 students graduated from early childhood teaching courses across Australia. While undergraduate teaching qualifications typically take four years of full-time study, around 35 per cent of these graduates were part-time students when graduating, meaning they are likely to have taken longer to complete their qualifications (figure 10.5). The number of both full-time and part-time course completions is noticeably higher in New South Wales due to existing requirements for degree-qualified teachers in LDC centres.

There will be an immediate increase in the demand for qualified teachers when the obligations to provide universal access to preschool under the NPA ECE come into effect in 2013 (chapter 5). This is likely to lead to a corresponding increase in the demand for places in early childhood teaching degrees (though, as discussed below, universities may not necessarily choose to offer more places in these courses). In contrast to the requirements for VET qualifications, people employed as early childhood teachers need to have completed their 4-year qualification by 2014 in order to meet the NQS. For example, between 600 and 800 additional teachers will be required in Victoria by 2012-13 in order to provide universal access to preschool. Further additional teachers will be needed to meet the requirements of the NQS, and

because of the recent increase in the birth rate in Victoria (Victorian Government, sub. 87). Moreover, given the large number of students who undertake their study on a part-time basis, many graduates would need to have started their qualification prior to 2010 to be qualified by 2014.

**Figure 10.5 Early childhood teaching course completions, 2009<sup>a,b,c</sup>**  
By completion type



<sup>a</sup> Data on part-time completions in South Australia in 2009 are not available. <sup>b</sup> The number of early childhood teaching qualifications completed in Tasmania in 2009 is not available. <sup>c</sup> Teaching graduates who may be qualified to work as early childhood teachers, but complete a qualification that is not identified as specifically relating to early childhood are not included. An example of this is a Masters of Teaching.

Source: DEEWR Higher Education Statistics Collection (unpublished).

In order to offset some of this increase in demand, the Australian Government allocated funding in 2009 to support training for an additional 500 early childhood teachers each year from 2009 to 2011 (DEEWR 2011a). These places were allocated between the states and territories (with the exception of Tasmania) (DEEWR 2011g).

However, it appears that the additional funding has not led to the desired increase in applications or offers for early childhood teaching courses. Between 2009 and 2010, the number of applications for early childhood teaching courses decreased from 3428 to 3348, and while the number of offers rose from 2481 to 2579 (DEEWR 2009; DEEWR 2011s). Study participants confirmed that demand for early childhood teaching courses remains low.

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In NSW, university entrance cut off marks for early childhood teaching courses are low and yet courses continue to have vacancies at main round university offer time, showing that despite the low entrance marks required, demand for entrance to the courses [is] low. (Community Child Care Co-operative, sub. 53, p. 7)

... unless the status and standing issues for the profession (including wage levels) are addressed there is no guarantee of increased demand for degrees. (Community Child Care Co-operative, sub. DR183, p. 15)

## **Moving to a demand-driven model of higher education**

Australia's higher education system is undergoing a period of substantial reform, notably with the move to a demand-driven funding model.

In response to the Bradley Review of Australian Higher Education, the Australian Government announced that from 2012, public universities will be funded on the basis of student demand. The Government will fund a Commonwealth-supported place for all undergraduate domestic students accepted into an eligible higher education course at these higher education providers. Under the demand driven funding system, providers will decide how many places they will offer and in which disciplines. Providers will be able to increase the number of Commonwealth supported places they offer in particular disciplines, including in early childhood education, in response to employer and student demand. (DEEWR, sub. 86, p. 27)

The effects of these changes on the provision of early childhood teaching degrees are uncertain. There are a number of reasons to expect an increase in demand for places in early childhood education courses.

- First, the Australian Government has set targets and will increase funding in order to raise participation in higher education and to increase the proportion of students from low socioeconomic status backgrounds. These changes are expected to lead to a general increase in higher education enrolments, with some universities expected to increase their enrolments 'substantially' (DEEWR 2011f).
- Second, the reforms will make it easier for those who do not currently meet university entrance requirements to gain a university place. Falling tertiary entrance scores, or at least scores that will no longer 'be inflated due to restrictions on the number of student places in a course' (DEEWR 2011f), will increase the number of potential higher education students.
- Third, as discussed in preceding chapters, COAG's agreed ECEC reforms will increase demand for early childhood teachers. If wages and conditions in ECEC services become more competitive with those offered by schools (see chapter 5), this may in turn encourage new entrants to the profession, or encourage those with an interest in other professions to choose early childhood teaching instead.

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However, the response to this increased demand for early childhood teacher education may not be as timely or as large as governments expect. Several factors suggest that the supply of places in early childhood teaching degrees may not increase substantially, or may even decline. Under the demand-driven system:

... the Government will no longer specify target places by discipline for universities; there will be no general limits on the maximum or minimum number of places in a particular field of study. (DEEWR 2010d, p. 15)

This means that universities will no longer be under any obligation to continue to offer current courses or to maintain the number of places they offer in any given course, including early childhood teaching. Indeed, because they will be funded on the basis of actual student enrolments, universities will have a strong incentive to expand the number of places they offer in disciplines:

- that are attractive to students
- that can more easily be taught within the funding available for that discipline
- in which they already employ, or can easily recruit, sufficient numbers of academic teaching staff.

Each of these factors appear to make primary teaching a more attractive business proposition for universities than early childhood teaching.

- The Australian Tertiary Admissions Rank required for admission to primary teaching degrees is typically higher than that required for early childhood teaching degrees (table 10.1), suggesting that primary teaching courses are more attractive to potential teaching students. Study participants confirmed that students generally prefer courses that enable them to teach in primary schools (for instance, Community Child Care Co-operative, sub. 53; Professor Margaret Sims et al., sub. DR100).
- Universities can more efficiently deliver teacher education courses with higher student enrolments (ACDE 2011). Because early childhood courses usually have fewer students than primary teaching courses, the cost per student tends to be higher, sometimes exceeding available funding (though funding levels are currently under review — see below). For instance, Queensland University of Technology reported costs per student in the Bachelor of Education (Early Childhood) of \$15 192, compared to total government and student contributions of \$14 330 (ACDE 2011).
- While recruiting qualified academic staff to deliver early childhood qualifications is an ‘ongoing challenge’ (Victorian Government, sub. 87, p. 8), with the supply of early childhood academics ‘in crisis’ in some jurisdictions (Sally Barnes, sub. DR 355, p. 1), similar difficulties have not been reported for

primary teaching qualifications (House of Representatives Standing Committee on Education and Vocational Training 2007).

**Table 10.1 Admissions rank required for entrance to selected early childhood and primary teaching degrees, 2011**

	<i>Early childhood teaching degree</i>	<i>Australian Tertiary Admissions Rank (ATAR)</i>	<i>Primary teaching degree</i>	<i>ATAR</i>
The University of Sydney	Bachelor of Education (Early Childhood Education)	80.50	Bachelor of Education (Primary Education)	87.25
La Trobe University (Bendigo)	Bachelor of Early Childhood Education	60.70	Bachelor of Education	66.35
Flinders University	Bachelor of Education (Early Childhood)/ Bachelor of Arts	70.20	Bachelor of Education (Primary R-7)/ Bachelor of Arts	75.00

*Sources:* Flinders University (2011), La Trobe University (2011), The University of Sydney (2011).

Taken together, these factors may over time lead universities to offer fewer places in early childhood teaching courses and more places in primary teaching courses. The incentive to make such changes will depend on the amount of funding provided for those courses, which has yet to be determined. A review of higher education ‘base funding’ is currently underway, and was due to report to the Australian Government at the end of October 2011 (DEEWR 2010d). However, to the extent that future funding levels are in line with current levels, there is little to suggest that universities will have strong incentives to increase, or even maintain, enrolments in early childhood teaching. Any resultant changes in the number of early childhood teaching graduates will affect the ECEC workforce, and thus need to be taken into account in workforce planning (see chapter 11).

## Training and career pathways

### *Pathways from VET to higher education*

Though most early childhood teachers enter teacher training straight from school (Thorpe et al. 2011), an established (‘articulated’) pathway whereby VET-qualified workers are able to advance their career by undertaking higher education is important to the ECEC workforce. Career pathways were seen as improving the retention of staff within the ECEC sector, as well as enhancing the future supply of qualified ECEC teachers.

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The need for flexible career pathways and accompanying articulated courses was commonly cited as a concern within the sector (for example, Community Childcare Co-operative, sub. 53; Edith Cowan University, sub. 27; Gowrie Victoria, sub. 41; Institute of Early Childhood, Macquarie University sub. DR158; Mission Australia, sub. 12; Prue Walsh, sub. 3; Women’s Electoral Lobby, sub. 17).

Despite the concerns expressed by study participants, links and articulations between ECEC roles and qualifications have emerged (Watson and Axford 2008a). For example, a diploma qualification provides a pathway to a degree in early childhood education, providing approximately one year’s credit transfer, depending on the higher education provider involved. Indeed, higher education providers are increasingly providing paths into and out of early childhood teaching qualifications, offering ‘on-ramps’ and ‘early exit’ points into and out of early childhood education degrees. These pathways allow them to cater for students with varying needs, and from diverse backgrounds, such as Indigenous students, students entering the program with VET qualifications and students from disadvantaged backgrounds. Alternative pathways can also make higher education more attractive to students who are in the workforce and studying part time (Watson and Axford 2008a).

Importantly, the articulation from VET to higher education is not uniform. Standardising articulation arrangements may be considered desirable in that it would provide a consistent and definite pathway to higher qualifications (Council for the Care of Children, sub. 22; LHMU, sub. 55). However, variation in the quality of VET training is likely to be a major factor in universities — which are responsible for their own quality assurance — not being prepared to guarantee a specified amount of credit for a given VET qualification.

Pressure to grant credit for previous qualifications also has the potential to raise the threat of a ‘race to the bottom’, where universities may face competitive pressures to grant credit in order to secure enrolments. Watson raised this as a potential problem.

Course convenors in the VET sector reported that they encouraged diploma students to “shop around” for the most generous credit transfer arrangements offered by universities. (2006, p. 27)

While there is potential for this to occur, the Commission found that universities are more likely to want to ensure that entrants have sufficient skills to complete courses rather than allowing ill-prepared students to enrol. Watson (2006) cites examples of universities revising credit transfer policies in response to students struggling under more generous arrangements.

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While alternative entry pathways are emerging, there is still scope for them to be refined. Student attrition rates provide some cause for concern, with reports of higher attrition rates in bachelor of early childhood education courses for students who had entered via an alternative VET pathway (Whittington and Thompson 2010). In developing alternative entry pathways, there is also a need to ensure that students can meet any applicable professional registration requirements (Early Childhood Teacher Education Council NSW, sub. DR162; University of Newcastle Early Childhood Programs, sub. DR160).

#### FINDING 10.5

*Training and career pathways are emerging as ECEC is changing. These pathways are useful in attracting, retaining and increasing the skills of staff, and it is important that clear pathways for career advancement are maintained.*

#### *Pathways from primary teaching to early childhood teaching*

It is relatively common for teachers to leave the early childhood sector and move to primary schools, because wages or working conditions offered by schools tend to be more attractive (see chapter 5). For the same reasons, it is less common for primary school teachers to move to ECEC services. There are nevertheless a number of courses that enable primary school teachers to qualify as early childhood teachers.

- Graduate certificates, such as those offered by Griffith University and Queensland University of Technology, can be completed in six months of full-time study. They provide a basis of early years knowledge for qualified teachers, but on their own are not sufficient for registration as a teacher.
- Graduate diplomas in early childhood education are offered by universities around Australia. They require 12 months of full-time study, and enable graduates of any discipline to qualify as an early childhood teacher (Watson and Axford 2008a).

Other universities have considered offering courses that enable primary teachers to convert to early childhood teaching. For instance, Edith Cowan University suggested that ‘a Graduate Certificate in Infants and Toddlers Care could be created and offered’ (sub. 27, p. 4).

As wages and conditions in ECEC services, and especially in LDC centres, become more competitive with those offered by schools (which, as discussed in chapter 5, will need to occur in order to attract a sufficient number of teachers to meet COAG’s ECEC goals), more primary teachers may choose to move to the early childhood sector. In particular, in many jurisdictions there are a large number of

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qualified primary teachers who are not currently employed in primary schools (Skills Australia nd). Some of these teachers could be willing to enter the ECEC sector. The availability of graduate certificate and diploma courses in early childhood education may assist them in making this transition.

## **Quality assurance of higher education for ECEC workers**

### *Quality of early childhood teaching degrees*

Study participants provided limited comments on the quality of early childhood teaching graduates and the training they receive. The Music Council of Australia considered the musical content of early childhood teaching degrees to be insufficient (subs. 51 and DR214), and the Institute of Early Childhood, itself a provider of early childhood teacher education, considered that ‘greater consistency and rigour is needed to ensure that teacher graduates enter the workforce with a strong theoretical and research knowledge base’ (sub. DR158, p. 10). Few other concerns were raised.

The lack of comment itself suggests a general satisfaction with the standard of graduates. The limited evidence available supports this. For example, while noting that some courses need to be updated to reflect contemporary practice, Community Child Care Co-operative considered that higher education providers are equipping early childhood teachers well (sub. DR183). Australian Community Children’s Services (sub. 64) recently conducted a survey of its members across Australia. They report that around 90 per cent of responding services find the degree qualifications required for entry into various ECEC services to be either ‘somewhat appropriate’ or ‘highly appropriate’.<sup>3</sup>

However, as discussed above, the specialist early childhood content of the degrees currently offered varies widely across courses. In particular, courses that cover the education of children aged 0–12 years are likely to have less specialist early childhood content than courses that focus on teaching children from birth to five years. This variation prompted some concern from study participants. For instance, Professor Margaret Sims and colleagues expressed concern that early childhood pedagogy may only be taught during one year of a four-year degree (sub. DR100).

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<sup>3</sup> The Senate Education, Employment and Workplace Relations References Committee (2009) reported an awareness of dissatisfaction with teacher training in universities. However, their report on childcare provision does not elaborate further on these concerns.

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Similarly, the NSW Children's Services Forum considered that:

In NSW, the Institute of Teachers seeks to assure both the profession and the community of the quality of teacher education programs. However, its focus is on primary and secondary education. This inevitably places pressure on 0 to 12 years teacher education programs to enhance the school education components, often at the expense of the early years. (sub. 23, p. 9)

To address such concerns, early childhood education courses might benefit from some oversight of content from a central authority. For example, the Senate Education, Employment and Workplace Relations References Committee recommended that 'a national childcare authority should be able to influence the curriculum for the training of early childhood teachers and carers' (2009, p. 99). Once fully operational, the new Australian Children's Education and Care Quality Authority will be able to exert such influence over curriculums, as its role includes 'maintaining a register of acceptable qualifications for teachers' (COAG 2009f, p. A-14). In addition, if early childhood teachers were to become eligible for professional registration on the same basis as primary school teachers, teacher registration bodies would have a role in overseeing pre-service early childhood teacher education programs (see section 10.7).

New modes of course delivery are also increasingly used to target early childhood education courses to students who differ from the mainstream intake of year 12 graduates. These include targeted external courses, and courses delivered on multi-campus locations, particularly education facilities in remote and regional communities, coupled with housing and other forms of support (Watson and Axford 2008a). Programs with student-centred design features are part of a specific strategy to meet the needs of targeted groups, such as Indigenous students, and are discussed further in chapter 14.

### *Practicum experience in early childhood teaching degrees*

Study participants considered practicum experience for pre-service early childhood teachers to be very important (for example, Community Child Care, sub. DR212; Southern Cross University and Early Childhood Australia (NSW) North Coast Branch, sub. 16). Blue Gum Community School even considered that it should replace certain traditional aspects of university study, such as writing essays (sub. DR115). Practicum experience in an LDC centre can also increase pre-service teachers' willingness to consider working in an ECEC setting (Thorpe et al. 2011).

However, the 'availability and willingness' of employers to provide teaching students with practicum experience is an ongoing concern (Government of South Australia, sub. 66, p. 12). Even when placements in ECEC services can be found,

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students may not receive day-to-day supervision from a university-qualified teacher (Australian Catholic University, sub. 24).

The cost to the individual of time spent on practicum can also be significant. The Independent Education Union of Australia (sub. 50) suggests that government-sponsored leave may assist students to be able to engage in study. While this is correct, it is generally appropriate that students bear the majority of the cost, as the benefits from undertaking the placement will accrue largely to the student. However, encouraging and supporting students to undertake placements in rural and remote areas may have wider benefits — these are discussed in more detail in chapter 9. Employers in rural and remote areas may also have a role to play in such practicums, as they also stand to benefit from any increase in the supply of qualified workers in their region.

FINDING 10.6

*Higher education providers appear to be equipping early childhood teaching graduates with the skills and knowledge they require, though access to quality practicum placements remains a concern.*

**Quality of higher education providers**

Quality assurance of early childhood teaching degrees varies according to the type of higher education institution issuing the degree. Traditionally, public universities have been responsible for ensuring the quality of their own courses, through what is referred to as self-accreditation. Other higher education providers have been accountable to an accreditation authority in their jurisdiction, both for registration of the institution and accreditation of the courses offered (MCEETYA 2007).

From 30 January 2012, the Tertiary Education Quality and Standards Agency (TEQSA) will assume responsibility for regulation of higher education providers. It will register and evaluate the performance of providers against the new Higher Education Standards Framework, which covers five domains: providers, qualifications, teaching and learning, information and research (TEQSA 2011a). In contrast to ASQA, whose capacity to conduct strategic audits of the VET sector appears to be limited by current funding arrangements, TEQSA will have the capacity to conduct thematic reviews of any higher education provider or group of providers, with a ‘focus on a particular area of interest or concern’ (TEQSA 2011b).

If demand for places in ECEC teaching degrees increases, RTOs are likely to become a more important source of ECEC teaching graduates. To the extent that RTOs employ fewer academic staff with postgraduate qualifications, they are likely

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to have a greater capacity than universities to quickly expand their operations, and provide a continuous path of learning from VET to higher education. While this flexibility to increase the supply of qualified teachers is necessary, it increases the importance of effective external course accreditation to ensure the quality of courses. This is particularly important given existing concerns about the variable quality of VET and the ability of regulators to ensure the quality of VET graduates.

FINDING 10.7

*Registered training organisations are likely to play an increasing role in meeting demand for higher education qualifications for teachers. This will require strong oversight on the part of regulators responsible for quality assurance.*

## 10.6 Professional development and support

Workers in the ECEC sector require professional development and support in order to maintain and improve their skills. Continuing professional development allows ECEC workers to:

... affirm existing understandings as well as acquire new knowledge and skills and thereby remain up-to-date with evolving developments in the field. (Waniganayake et al. 2008, p. 118)

This in turn enables them to provide high-quality services. In addition to improving service quality, the provision of ongoing learning opportunities can also be important in the retention of staff in the sector (Benevolent Society, sub. 49) and can help support career pathways (Australian Education Union, sub. DR168).

For the purposes of this section, ‘professional development’ refers to activities other than accredited training, as this has been considered in detail above.

### Providing professional development and support

Professional development for most ECEC workers is delivered through the Australian Government’s Professional Support Program (box 10.13). The program provides professional development in a variety of formats. These include:

- accredited and non-accredited courses
- conversations and informal sessions
- events, forums, hubs and networks
- collaborative projects

- mentoring and coaching
- advice and information
- information and access to resources (DEEWR 2010e).

As part of the Professional Support Program, Professional Support Coordinators (PSCs) organise advice and training for ECEC workers on a variety of topics. For example, as the PSC for South Australia, Gowrie SA offers professional development sessions on topics as diverse as documenting children's learning, food safety, and responding to abuse and neglect (Gowrie SA 2011). PSCs in other jurisdictions offer a similar range of courses.

Because services provided by the PSCs are subsidised by the Australian Government, study participants generally considered the direct costs of professional development (such as registration fees) to be reasonable. Gowrie SA noted that course costs do not generally pose a barrier to access for workers (sub. 40). This is not necessarily the case for some staff who work in preschools, as outlined below.

#### **Box 10.13 The Professional Support Program**

The Australian Government's Inclusion and Professional Support Program consists of two main structures — the Professional Support Program and the Inclusion Support Program (see chapter 8 for a discussion of the Inclusion Support Program). The Professional Support Program funds a Professional Support Coordinator (PSC) and Indigenous Professional Support Unit (IPSU) in each state and territory.

The PSCs are responsible for planning the delivery of all professional support to childcare services approved for childcare benefit payments in each jurisdiction, as well as for services that receive non-mainstream, 'budget-based' funding from the Australian Government (see appendix F for explanation of funding and approval mechanisms). IPSUs provide services similar to those provided by the PSCs to Indigenous-focused ECEC services — such as Multifunctional Aboriginal Children's Services. IPSUs may also be subcontracted by PSCs to provide advice on culturally appropriate service delivery and the needs of Indigenous children and workers.

The PSCs and IPSUs subcontract a large number of organisations (known as professional support service providers) to provide professional development and support, and offer information to ECEC service providers about how to access these services. They also provide a range of resources and direct support to service providers in the form of support networks and advice services. While ECEC services are charged for access to resources and professional development programs, PSCs design fees to encourage participation by ECEC service providers.

In 2010-11, about \$16.5 million was provided to PSCs and \$3.5 million to IPSUs.

*Sources:* DEEWR (2010e; 2011k; sub. 86).

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### *Professional support and mentoring programs*

Network-based support for ECEC workers can take different forms, including:

- formal networks that coordinate professional support services in a particular region
- less-formal study groups coordinated at a service level by centre managers or directors. These informal groups are often a means of supporting formal study (Waniganayake et al. 2008).

Network-based support can be important in improving service quality, supporting on-the-job development of staff and preventing ‘burnout’. This is the case for all levels of staff (Marcia Spitkowsky, sub. 21), and in particular for Indigenous staff (Independent Education Union of Australia, sub. 50; SNAICC, sub. 29).

Network-based support programs that support ECEC graduates from the commencement of their studies and beyond their entry into the workforce are regarded as particularly useful in preparing graduates for work and supporting them in the workplace. This is especially important for smaller centres that are not part of a larger corporate network. Support programs are not only important in promoting good practice, but also help to ensure that staff have the ongoing support necessary to retain them in the sector, and can ‘greatly assist in removing the sense of isolation which early childhood teachers experience’ (Independent Education Union of Australia, sub. 50, p. 17).

Mentoring programs, implemented formally or informally, are regarded as important in refining professional practices. This is particularly the case for early childhood teachers in the first two years of their career (Waniganayake et al. 2008).

#### FINDING 10.8

*Ongoing professional development is important for maintaining a skilled and capable workforce, allowing ECEC workers to build on base-level skills while promoting quality care. Access to support programs encourages the sharing of knowledge, and can promote staff retention.*

### **Accessing professional development and support**

#### *Replacement staff can be costly and hard to find*

As discussed above, the direct costs of professional development are not prohibitive for most ECEC staff. However, participating in professional development also entails a range of other costs. These costs can include travel, accommodation or

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overtime payments, as well as the cost of finding and paying replacement staff — known as ‘backfilling’ — to cover for workers while they attend professional development.

Subsidies to cover the cost of replacing staff are only available in certain limited circumstances, such as when inclusion support agencies approve flexible support funding for ECEC workers to undertake specialist training directly relevant to supporting a child with additional needs (DEEWR 2010e). (See chapter 8 for more discussion of the Inclusion Support Program.)

Study participants considered the cost and difficulty associated with backfill to be a substantial impediment to accessing professional development and support (for example, City of Monash, sub. 10; Community Child Care Co-operative, sub. 53; Health and Community Services Workforce Council, sub. 56; Penrith City Council, sub. 74; UnitingCare Children, Young People and Families, sub. 62).

A barrier that we have been unable to address relates to the inability of many ECD services to release staff during work hours as they do not have relief staff. (Child Australia, sub. 78, p. 7)

In addition to course costs, a big barrier to accessing training and professional development programs for the ECEC sector, in particular, is cost and availability of replacement staff. Where an ECEC centre has the minimum number of staff to operate, it is not possible to release a worker to attend training without compromising the staff:child ratio and breaching regulations. Backfilling the position using casual agency staff is expensive and may be prohibitive for a small service. (Benevolent Society, sub. 49, p. 19)

This echoes concerns expressed in a study of professional support in Australian ECEC services.

Often it is difficult to release staff to attend workshops and conferences. Equally it is difficult to release for study leave particularly when the staff member is qualified and hard to replace. It would be great to have the whole centre attend certain professional development activities together however we are restricted by budget to do this as it would need to occur on a weekend. (Tasmanian ECEC service quoted in Waniganayake et. al 2008, p. 98)

Obtaining replacement staff is particularly difficult for staff working in LDC centres, who tend to work (and thus need to be replaced for) long hours. In addition, the NQS requirements are likely to reduce the availability of replacement staff.

The requirements for all staff to have a minimum qualification will change the number of staff available for work as casual and temporary staff will be required to obtain qualifications before becoming available for work, usually at a cost to them. (Penrith City Council, sub. 74, pp. 5–6)

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### *Workers in rural and remote areas face additional barriers*

In addition to widespread difficulties in obtaining replacement staff, workers in rural and remote areas face other barriers to accessing professional development and support. In particular, because ‘professional development in the [early childhood education and care] sector is arguably very city-centric’ (Australian Education Union, sub. DR167, p. 14), both the time and cost involved with travel can be prohibitive. When workers have to travel to professional development they are absent — and need to be replaced — for longer, which increases the requirement to backfill staff. The limited training and professional development opportunities in rural and remote areas are discussed in further detail in chapter 9.

Providing professional development and support to workers in rural and remote areas can also be more difficult because workers in those areas are less likely to hold qualifications in ECEC.

In locations where qualifications and skills are low, it is challenging to provide this skill development and enhancement due to lack of basic understanding of child development and quality practices. Our training needs analyses have repeatedly demonstrated the need for basic/entry level skill and competency training across much of the NT. (Child Australia, sub. 78, p. 7)

This suggests a proportionately greater requirement for professional development funding in some regions and jurisdictions.

### *Many preschool staff have limited professional development options*

The workforce in services that are not covered by the Professional Support Program (including those in many community- and privately-operated preschools and in some occasional care services) have poor access to subsidised training. This means that for many teachers and educators in these services, the cost of professional development can be prohibitive.

Staff who are employed at other services such as NSW community based preschools do not have access to funded training except as a result of small one off funding opportunities provided by Community Services. (Community Child Care Co-operative, sub. 53, p. 17)

Why should a preschool staff member pay double the amount of fees associated with in-service [professional development] in comparison to a staff member from a long day care centre? (Susan Sorensen, sub. DR96, p. 1)

Some jurisdictions offer professional development to a small number of privately and community-operated preschool staff. For instance, the Bastow Institute of Educational Leadership in Victoria offers several professional development programs for early childhood practitioners, and covers the costs of training, travel

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and backfill for practitioners selected to participate in the programs (DEECD 2010d). However, as noted by Kindergarten Parents Victoria:

... these programs and initiatives in isolation cannot train sufficient staff to lead the important reform initiatives in the sector, and there is no systemic mentoring and leadership programs to provide genuine professional support to [preschool] staff. (sub. 72, p. 7)

### *Professional development and support needs are not always identified*

Identifying the professional development and support needs of ECEC workers is largely dependent upon an effective performance appraisal system that facilitates a review of work practices. This allows the requirements of both individual services and workers to be taken into account (Waniganayake et al. 2008).

However, the Commission has found little evidence of a systematic approach to identifying professional development and support requirements. There are a number of reasons for this, including the need to conduct performance management outside of normal working hours. As Bretherton noted ‘employers themselves acknowledge that they do not always fully understand their own skill needs and do not necessarily have processes in place to identify skill gaps, nor anticipate new areas of activity for which skill development may be required’ (2011, p. 14).

Institutional structures may also impede the recognition of the value of professional development. For example, in community-controlled centres, where it is usual for management committees to change every year, the value of professional development and performance appraisal can easily be overlooked and the management skills necessary to provide an effective appraisal system may be lacking (chapter 3).

## **Enhancing professional development to meet future needs**

### *Professional development to support the National Quality Framework*

Meeting the requirements of the NQS, EYLF and FSAC will require ECEC staff to alter, and to critically reflect on, aspects of their professional practice. In order to do so effectively, many ECEC workers will require professional development and support.

... the ECEC workforce is now required to reflect on their practices and systems and be able to determine how to improve quality and increase their professionalism. The existing training frameworks within the VET sector are predominantly focused on practical application of skills and knowledge. The vast majority of those who have qualifications within the ECEC sector have come from this background. They have not,

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in the most part, received training to enable them to gain the skills, knowledge or experience to undertake complex critical analysis of their organisations, job roles and practice. (FDCA, sub. 61, pp. 6–7)

... base level qualifications and traditional accredited and non-accredited training tend to focus expressly on the development of core skills and competencies. However, best-practice and quality frameworks in the ECD field are increasingly demanding learning outcomes that enable complex thinking and problem solving to support the particular needs of different children and families. (Health and Community Services Workforce Council, sub. 56, p. 10)

Study participants therefore considered enhanced professional development to be essential to implementing the NQS, EYLF and FSAC. For instance, GoodStart Childcare considered that:

... educators should be provided with access to quality professional learning opportunities that meet both their needs and the needs of the community in which they work, opportunities that align with the requirements of the [National Quality Standard] and that are not cost prohibitive to the Early Childhood Development worker. (sub. 34, p. 9)

Even before the adoption of the EYLF, ECEC staff most frequently identified ‘curriculum, programming and planning’ as a priority topic for professional development (Waniganayake et al. 2008). However, this may also reflect that, prior to the adoption of the EYLF, ECEC staff found it hard to access appropriate curriculum and program guidance.

PSCs are currently offering a range of courses, seminars and other professional development activities to help ECEC workers to implement the NQS and EYLF. For example, Gowrie SA offer a series of on-site workshops that seek to assist ECEC staff in incorporating the EYLF in their daily practice (Gowrie SA 2011). State and Territory governments are also providing professional development to support the ECEC reforms. For instance, the Queensland Government is involved in a range of online and face-to-face workshops relating to the EYLF (sub. DR360).

However, it is not clear that current efforts are effectively equipping all ECEC workers to improve service quality, for a number of reasons.

- First, it is important that the intensity and duration of professional development is matched to the content being conveyed. The appropriateness of the length of time spent in professional development activities depends on the goals of the activities themselves (US Department of Education 2010). Given the complex and multi-faceted nature of the COAG ECEC reforms, current information and training sessions (which may go for as little as two hours) may not be sufficient for many workers. Experience of implementing a new early childhood curriculum in the French community in Belgium suggests that professional

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development about the new curriculum needs to be sustained over several months or years (Pirard 2011).

- Second, as discussed above, professional development and support programs are not accessible to all ECEC workers, for a number of reasons.
- Third, the focus on the NQS and EYLF is displacing other important topics from professional development programs (Community Child Care Co-operative, sub. DR183). Study participants identified a number of areas in which professional development needs to be enhanced.

### *Other areas in which professional development could be strengthened*

Study participants considered that professional development opportunities should be improved in a number of other areas. These include:

- management, governance and leadership skills (Community Connections Solutions, sub. 75; Gowrie SA, sub. DR105; Gowrie Victoria, sub. 41; UnitingCare Children, Young People and Families, sub. 62)
- cross-disciplinary integration of services (UnitingCare Children, Young People and Families, sub. 62)
- parenting skills (Queen Elizabeth Centre, sub. DR174)
- interdisciplinary knowledge of child development (Growth and Development Clinic, Mater Health Services, sub. DR367)
- specialised training tailored to specific needs of different service types, such professional development for OSHC workers, or focused on the administrative obligations of FDC educators (FDCA, sub. 61).

Numerous study participants also considered that there is a need for more specialist training to assist ECEC staff to work effectively with children from CALD backgrounds and children with disabilities (for example, Community Connections Solutions Australia, sub. 75; Ethnic Communities Council of Queensland, sub. 58; Health and Community Services Workforce Council, sub. 56; Lady Gowrie Tasmania, sub. 82; Tasmanian Ministerial Child Care Advisory Council, sub. 83; Vision Australia, sub. 57).

In chapter 8, the Commission outlines the importance of ensuring that all ECEC workers have access to professional development programs that increase their ability to include children with a disability and children from CALD backgrounds. As the support and commitment of directors, teachers and other ECEC leaders is essential for successful inclusion, professional development relating to including children with additional needs should be targeted to these workers in the first

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instance. Inclusion support workers also need to have access to relevant professional development and support (see recommendation 8.2). There is also a need to ensure that all ECEC staff can access professional development and support to achieve Indigenous cultural competency (see chapter 14). In chapter 15, the Commission considers the workforce requirements for integrated ECD services, and notes that ECEC staff in integrated services need at least introductory training in integrated services skills.

In June 2011, the Australian Government published a discussion paper on the future of the Inclusion and Professional Support Program (IPSP). The paper acknowledged that:

The implementation of the [National Quality Framework] is a major change initiative for all elements of the early childhood education and care sector. It will involve significant adjustments for many service providers in relation to workforce training and professional development, regulatory and administrative processes, and for some services, changes to current operational practices. (DEEWR 2011j, p. 6)

The discussion paper also recognised that stakeholders consider current funding levels to be inadequate. However, it has ruled out major changes to, or funding increases for, the IPSP (DEEWR 2011j), thereby implying that all the support required for the ‘significant adjustments’ currently occurring in the sector will come from existing resources. Given the scale of the reforms and the magnitude of the changes required of the ECEC workforce, this appears optimistic.

It also appears unlikely that current arrangements will provide sufficient support to enable the workforce in community- and privately operated preschools to implement the COAG ECEC reforms. As discussed above, the cost of professional development can be prohibitive for this workforce. Study participants therefore reported a need to ‘expand the Inclusion and Professional Support Program to serve state-funded pre-schools’ (Community Child Care, sub. DR212, p. 5), as well as privately operated preschools and occasional care services (Child Australia, sub. DR168, p. 6). Others suggested that the existence of separate professional development programs perpetuates differences between ECEC services.

... the Australian Government should consider providing access to the [professional support] program for sessional Kindergarten Services which are currently excluded. This exclusion results in a disconnect between the support and professional development offered to long day care services delivering an approved kindergarten program and sessional kindergartens. (Queensland Government, sub. DR360, p. 7)

While extending the professional support program to encompass those members of the ECEC workforce who are currently unable to access it may have merit, the Commission is primarily concerned with ensuring that all members of the ECEC workforce can access appropriate professional development and support. Other

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mechanisms could potentially deliver a similar, or even better, outcome. For instance, the New South Wales Government has ‘contributed additional funding to the NSW Professional Support Coordinator to ensure that its training and professional development is available to community preschools’ (sub. DR326, p. 12). In a similar vein, the Australian Government has indicated that professional support coordinators will ‘need to develop strong working relationships with each of the [state and territory] regulatory authorities and the [Australian Children’s Education and Care Quality Authority]’ (DEEWR 2011j, p. 24). This suggests that cooperative methods of improving professional development are already being encouraged.

RECOMMENDATION 10.7

*Governments should ensure that every member of the ECEC workforce has access to appropriate professional development and support programs. In some cases (for example, community preschools), additional resources will need to be allocated in order to achieve this. Priority should be given to enabling all workers to participate in professional development that will assist them to:*

- *implement the National Quality Standard, the Early Years Learning Framework and the Framework for School-Age Care*
- *include children with disabilities, children from culturally and linguistically diverse backgrounds and Indigenous children in ECEC services*
- *enhance the leadership and governance of ECEC services*
- *work effectively in integrated ECD services, where relevant.*

## **10.7 Other issues in training and professional development**

### **Internet-based training and professional development**

Increased use of technological solutions such as online training packages and internet-based performance feedback has the potential to overcome some of the difficulties associated with distance and requirements for relief staff. The delivery of professional development and training through web-based technologies could help to overcome the problem of rural and remote workers having to travel to access professional development.

Online training methods have already been implemented on a large scale for ECEC workers in New Zealand (Centre for Community Child Health, sub. 81). Evidence from the United States suggests that use of these systems has the potential to

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improve teacher quality via a cycle of web-based observation and feedback (Downer, Kraft-Sayre and Pianta 2009; Pianta et. al 2008).

While noting that ECEC services are making greater use of online training, the Tasmanian Ministerial Child Care Advisory Council cautioned that ‘... face to face still has a place in some circumstances for example for consolidation of learning and/or undertaking of practical assessment’ (sub. DR173, p. 4).

Similar concerns were expressed by the Australian Education Union (sub. DR167) and by RTOs:

Training in the early childhood sector cannot be based fully on online training as students require a combination of theoretical, practical, networking [and] mentoring [skills] and many studies have shown that totally online training in this sector has disadvantages. (Sherryn Pyke, sub. DR150, p. 1)

Online training can also be more difficult for people with poor language and literacy skills. Thus, while online training can have many benefits, it is not appropriate for all learners and all types of learning.

As noted above, professional support and contact with peers are important for many ECEC workers, particularly those who work alone and those in rural and remote areas. Video- and internet-based technologies can also be used to provide professional support. For instance, videoconferencing has already been used to reduce the professional isolation of primary and secondary school teachers in rural and remote Western Australia (Broadly, Boyd and Terry 2009).

While technological options have the potential to be highly effective and less resource intensive, they need to be sufficiently resourced. For instance, the Western Australian Department of Education noted that there is a need to:

... improve local access for the early childhood workforce to relevant information and e-learning activities by upgrading communications technology infrastructure in rural and remote locations. (sub. 44, pp. 14–15)

Similar concerns were evident in other jurisdictions, with the Mobile Children’s Services Association of NSW reporting ongoing problems with information technology infrastructure in mobile ECEC services in that state (sub. DR179).

#### FINDING 10.9

*Increased use of technological solutions such as online training packages should continue to be explored as a means of facilitating support networks, mentoring arrangements and providing structured feedback regarding interactions between children and teachers and educators. This approach requires ongoing provision of adequate resources.*

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## Professional registration for the ECEC workforce

The creation of a professional registration scheme for the early childhood workforce was suggested by a number of study participants (including by City of Casey, sub. DR172; Community Child Care, sub. DR212; Community Connections Solutions Australia, sub. 75; Professor Alison Elliott, sub. 70). Potential benefits of registration put forward by participants included promoting the professionalism of the workforce, and ensuring ongoing access to professional development.

### *What is professional registration?*

A ‘traditional’ registration model is typically characterised by a statutory authority responsible under legislation for a number of functions, including:

- determining requirements for initial and continuing registration in an occupation
- approving and accrediting courses for members of the occupation
- maintaining standards of practice, through ongoing professional development and requirements for current practice
- monitoring the standards of education and training provision to members of the occupation
- handling complaints and disciplinary actions against members of the occupation
- promoting the occupation to the broader community.

The costs of performing these functions, as well as the costs of administering the registration scheme, are generally recouped from members of the occupation via membership fees.

### *Professional registration for all ECEC educators?*

Systems of compulsory registration are typically implemented in response to community concerns about the potential risks to public health and safety from underqualified or unfit people working in an occupation. These schemes typically apply in occupations where it is difficult for a potential client to determine the quality of a service on offer, and/or where the effects of poor quality are significant (PC 2011c).

These conditions hold, to some extent, for ECEC workers — the ECEC reform programs are centred around the benefits of having qualified workers, and it is certainly undesirable for unsuitable people to work in ECEC occupations. However, the need for compulsory registration is weakened by the already-robust registration

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requirements for ECEC service providers. Registering every educator in the ECEC workforce would duplicate work done by the various state ECEC regulators (and by the Australian Children's Education and Care Quality Authority when it commences operation). To the extent that a statutory registration authority became involved in determining the content of the CSTP, it would also duplicate work of the CSHISC. Compulsory registration is therefore a high-cost approach to enhancing professional status and ensuring access to professional development for the ECEC workforce.

An alternative approach is voluntary registration, or self-regulation. Such schemes are typically established by members of an occupation, and membership is a signal to the public that a person is 'suitably qualified, safe to practise and subject to a disciplinary scheme' (Carlton 2003, p. 20). Accountants and some engineers, for example, operate under schemes of this type.

It is unclear how much support there would be for a voluntary registration scheme amongst the ECEC workforce. If ECEC workers did want a professional registration scheme, the Commission considers that any such scheme would confer benefits almost solely on its members and should, therefore, be member funded.

#### RECOMMENDATION 10.8

***Governments should not endorse or contribute funding to a registration scheme for the non-teacher ECEC workforce.***

#### ***Professional registration for ECEC teachers?***

Teachers in primary and secondary schools around Australia are currently required to obtain registration with the relevant jurisdictional teacher registration body. Many early childhood teachers are currently excluded from these registration schemes, either because they work in a jurisdiction in which early childhood teaching qualifications are not recognised for registration purposes, or because they work in an ECEC service (as opposed to a school). For example in Tasmania, early childhood teachers who work in ECEC services are not eligible for registration (Lady Gowrie Tasmania, sub. 82). Similarly:

In long day care services in Queensland, 380 (21.8%) of contact staff with three year Diploma or Bachelor Degree in Early Childhood Education or Child Care or higher are registered teachers with [the Queensland College of Teachers]. However, 1366 staff members (78.2%) with those qualifications were not registered and under the current [Queensland College of Teachers] requirements introduced in 1998 are not eligible for registration. (Queensland Government, sub. DR88, p. 7)

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This limits the employment options available to teachers, and restricts their mobility between ECEC services and schools, for little apparent benefit.

Numerous participants advocated for the inclusion of ECEC teachers in teacher registration schemes. Kindergarten Parents Victoria considered that:

... the registration of early childhood teachers ... is critical to ensuring that the standards of the education profession are upheld by all. The registration process provides a true recognition of the early childhood education professional, illustrating the value of all teachers in the education sector. (sub. 72, p. 12)

Universities and teacher education organisations also supported professional registration for early childhood teachers. For instance, the Australian Catholic University sought:

Acknowledgement by the teacher registration authorities across the country of the particular expertise gained through a birth to eight pre-service teacher education program and recognition of this qualification as eligible for teacher registration in and of its own right. (sub. 24, p. 2)

Others considered that:

... ALL teachers should have the opportunity for accreditation and registration with an associated institute regardless of the sector in which they work. (Early Childhood Teacher Education Council NSW, sub. DR162, p. 12; University of Newcastle Early Childhood Programs, sub. DR160, p. 5)

NIFTeY NSW considered how a registration scheme for early childhood teachers might operate:

Registration of teachers could assist in gaining better recognition and status as a profession as exists in other professional occupations. This should include requirements to maintain currency of knowledge and a commitment to ongoing professional development. There are different views as to whether this should be part of a national system for all teachers so as to improve the status of the profession or whether a separate registration institute and body could better reflect the requirements to work with very young children and their families and for the specific leadership roles in these settings. If separate it would be essential it was not seen as a lower level but different to that required of teachers in schools. (sub. 36, p. 5)

Some moves have been made towards including early childhood teachers in professional registration schemes. The Victorian Government is considering registering early childhood teachers through the Victorian Institute of Teaching, with an indicative commencement date of September 2012 (Victorian Government, sub. 87). The Queensland Government is also supporting registration:

Teacher registration is not a legislative or funding requirement for four-year qualified teachers that deliver an approved kindergarten program. However individuals with a four-year teaching qualification in early childhood education are encouraged to apply

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for teacher registration with the [Queensland College of Teachers]. (Queensland Government 2011c)

Australia is currently moving towards a national system of teacher registration, and the Australian Institute for Teaching and School Leadership has published standards for the accreditation of initial teacher education programs (AITSL 2011a) and national professional standards for teachers (AITSL 2011b). However, ‘important work around the use and application of the standards is still to be undertaken’, and so the national standards are still some way from implementation (AITSL 2011c).

Given the finding that salary and conditions offered by ECEC settings will need to be competitive with those offered to primary teachers in the school sector (finding 5.1), the Commission considers there to be no rationale for excluding teachers working in ECEC settings from existing and proposed future teacher registration requirements. For teachers in primary schools, professional registration is one of the conditions of their employment. Some teachers may value this registration, both as an indicator of professional standing, but also for its function as a ‘licence’ to work in schools. Mobility between ECEC services and primary schools is restricted when this ‘licence’ is not available to teachers in both settings.

The Commission therefore considers that early childhood teachers should be supported to meet professional registration standards on the same basis as primary school teachers. For this to occur, a range of systems would need to be established prior to the extension of professional registration requirements to early childhood teachers in all jurisdictions. These include determining which initial teacher education programs would be approved for registration purposes, establishing continuing education programs and organising mentoring and support programs comparable to those provided to teachers in primary schools. All these factors could be addressed relatively easily by building on established models from jurisdictions that already include early childhood teachers in registration schemes — such as Tasmania (Tasmanian Ministerial Child Care Advisory Council, sub. DR173).

#### RECOMMENDATION 10.9

***Governments should support teachers working in ECEC settings to obtain professional registration on the same basis as those working in primary schools.***

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# 11 Planning the early childhood education and care workforce

## Key points

- As part of their commitments under the National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care, governments are developing an Early Years Development Workforce Strategy.
- The role of a workforce strategy is to support appropriate supply of staff in order to ensure effective service delivery. In the early childhood education and care (ECEC) sector, this means attracting, training and retaining the significant number of additional workers that will be required in order to achieve the agreed goals of the Council of Australian Governments (COAG).
- Governments have already implemented policies to subsidise ECEC training and to support existing staff. As part of the National Partnership Agreement on Early Childhood Education, all state and territory governments have agreed to put in place workforce policies to ensure universal access to preschool is achieved.
- While most workforce planning policies focus on the availability and affordability of training, there are a few examples of employment incentives, such as one-off payments to qualified workers in hard-to-staff locations.
- However, there is little in the way of evaluation to determine which type of policy is most cost-effective and most appropriate to achieving COAG's ECEC goals. Evaluating existing policies to determine the most cost-effective options should be a priority in the design of the Early Years Development Workforce Strategy.
- Study participants suggested wage subsidies as a possible solution for the sector's workforce challenges. However, without appropriate targeting, these subsidies may not achieve their goals.
- All jurisdictions have used waivers to allow ECEC services to continue operating despite shortages of qualified staff. If permanent waivers are to be used as a workforce planning tool, this may have detrimental effects on service quality.
- Lack of consistent data can impose additional challenges for workforce planning. There are a range of strategies governments might consider to enhance data collection.

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The successful implementation of the Council of Australian Governments' (COAG) early childhood education and care (ECEC) reforms will depend on the sector's workforce. Implementing the reforms will require sufficient workers to enter, train and remain in the ECEC workforce, so that there is adequate supply of qualified workers to match the increased demand resulting from the reforms. The existing training, recruitment and retention difficulties in ECEC, discussed in previous chapters, pose challenges for the reforms. These will be particularly prominent with respect to hard-to-staff rural and remote services (chapter 9) and Indigenous-focused services (chapter 14).

Governments have committed to undertake workforce planning in the national partnership agreements underpinning the ECEC reforms. The National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care (NQA) includes the requirement to develop a national Early Years Development Workforce Strategy (EYDWS) (COAG 2009f). The National Partnership on Early Childhood Education (NPA ECE) also discusses the need for workforce planning (COAG 2009d).

Governments have agreed that the EYDWS will set out options to:

... provide for an adequate supply of qualified workers to support the [National Quality Agenda], as well as examine options for improving educational leadership in the sector ... [it will] address the availability of nationally consistent workforce data, attraction and retention approaches, policy directions underpinning qualifications, and the particular workforce issues confronting rural and remote locations. (COAG 2009f, p. 48)

The development of a workforce strategy was supported by a number of study participants (LHMU, sub. 55; Municipal Association of Victoria, sub. 68; NATSEM, sub. 39). However, the Department for Communities (WA) pointed out that:

Where government has a direct role in provision of early childhood development services, including employment of the workforce, there is increased capacity for workforce planning. However, where the sector is largely market driven, as is the case in child care provision in Western Australia, it is more difficult for government to play a role in workforce planning. (sub. 59, pp. 5–6)

In all jurisdictions, employers of ECEC staff will play an important part in the development, implementation and funding of the workforce strategy. Many existing staff will need to upgrade their qualifications, and they will need support from their employers. Management strategies — including recruitment, wages offered, mentoring and training, and the structuring of staff positions — also have an effect on the workforce (Bretherton 2010).

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ECEC services respond in different ways to labour market challenges. This can depend on the size of the service:

Positive retention strategies are providing continued learning and development opportunities and career progression. Larger organisations like SDN have the ability to implement such strategies where stand-alone services would struggle. (SDN Children's Services, sub. 31, p. 5)

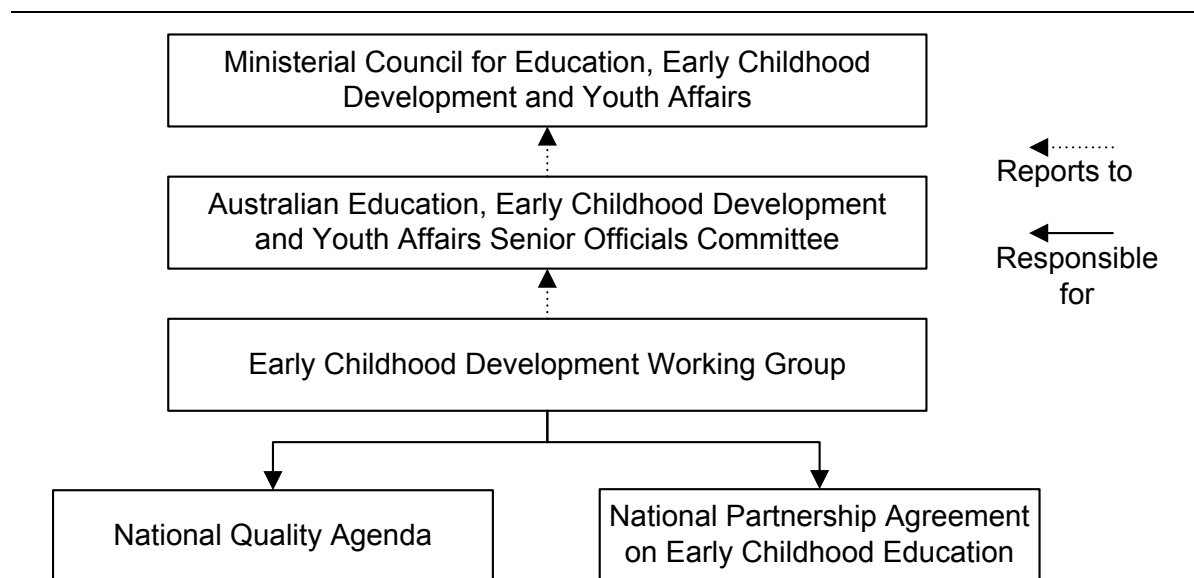
As part of the terms of reference for this study, the Commission has been asked to provide advice on workforce planning. Current planning measures are discussed below, as well as implications for the future EYDWS.

### Responsibility for the Early Years Development Workforce Strategy

The Early Childhood Development Working Group (ECDWG) is required to undertake work on implementing the NQA and the NPA ECE for the Ministerial Council for Education, Early Childhood Development and Youth Affairs. The development of the EYDWS is a part of the ECDWG's responsibility (MCEECDYA nd).

The ECDWG, formed within the Department of Education, Employment and Workplace Relations with representatives from all States and Territories, reports to the Australian Education, Early Childhood Development and Youth Affairs Senior Officials Committee, which in turn reports to the Ministerial Council (figure 11.1).

Figure 11.1 **Early Childhood Development Working Group governance arrangements**



Source: DEEWR, Canberra, pers. comm., 18 April 2011.

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In the NQA, COAG has committed to considering the EYDWS in 2010. The results of this process are yet to be made public. Some study participants believed this delay may have a detrimental effect on ECEC services.

Community Child Care is concerned at the delay in the development or release of the Early Years Development Workforce Strategy which was initially promised for 2010. Children's services across the country are scrambling now to access funding and information to ensure they can fulfil the qualifications requirements of the National Quality Framework by 2014. The lack of a cohesive strategy now is undermining the commitment of the COAG reforms to increase the qualifications of children's services staff. It is also placing additional stress on employers and employees in the sector who are uncertain whether they should be enrolling in courses now or waiting for a more structured workforce plan from governments. (Community Child Care Co-operative, sub. DR183, p. 16)

## **11.1 Components of an ECEC workforce strategy**

The process for developing a workforce strategy is well established (figure 11.2). The EYDWS should clearly specify its objectives. These include ensuring that sufficient workers enter, train and remain in ECEC to meet the staff-to-child ratios and qualification requirements of the NQA and to provide access to 15 hours per week of preschool education to all children in the year before formal schooling. In particular, the strategy would look to address the challenges of attracting sufficient workers to hard-to-staff services in rural and remote locations, and Indigenous and non-Indigenous staff to Indigenous-focused services. The particular challenges of attracting workers to Indigenous-focused services are discussed in chapter 14.

The next step in the development of the EYDWS should be identifying labour force gaps, where demand and supply do not balance. The following factors could point to potential labour force gaps:

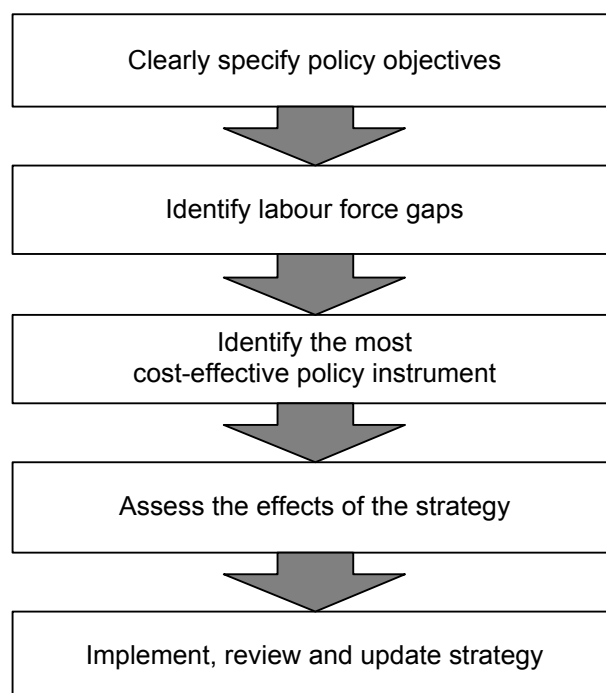
- current workforce challenges, such as recruitment and retention, as well as the quality and availability of training
- factors affecting future demand and supply of staff, including policy reforms
- demand for staffing waivers, where services cannot recruit qualified staff as required by regulations.

The demographic characteristics of the workforce and existing career pathways (for example, workers moving from one type of ECEC to another, or gaining further qualifications) must also be taken into account. Lack of data on certain areas of the ECEC sector, such as non-mainstream services and occasional care, is likely to make this process more difficult.

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Figure 11.2 **Developing and implementing a workforce strategy**

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Source: PC (2005).

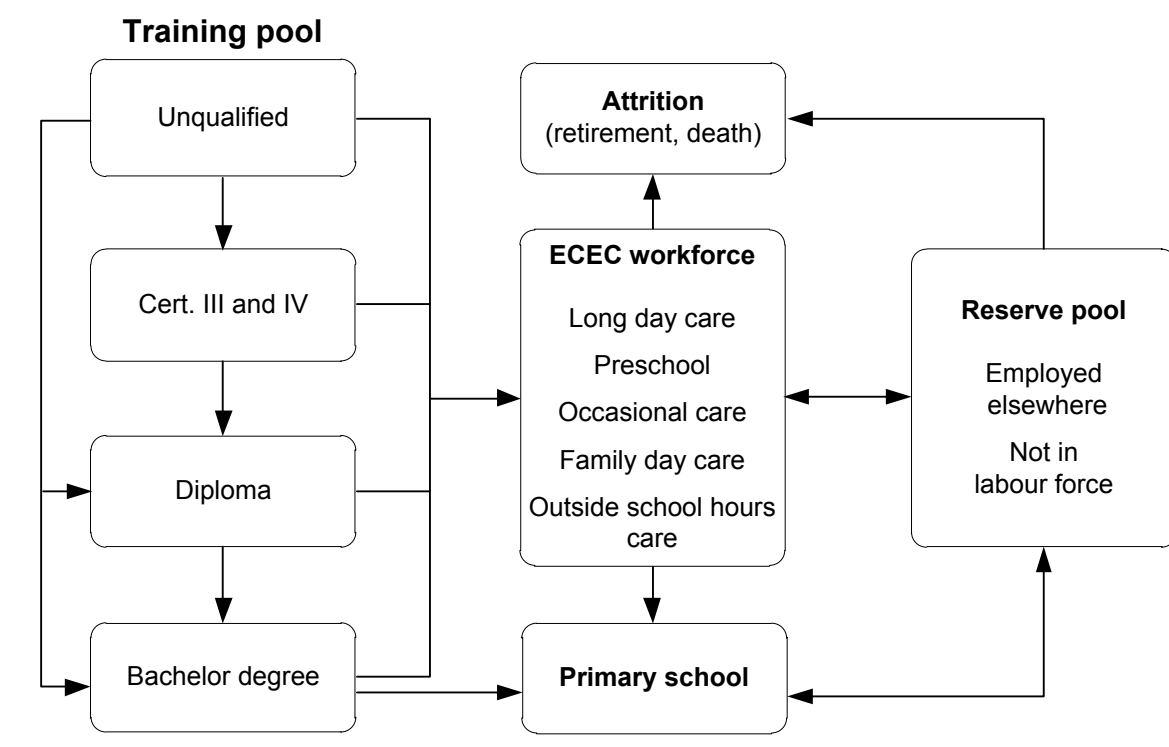
Future demand and supply will be affected both by the levels of population growth, and the regulatory intervention in ECEC. The NQA and the NPA ECE will introduce new regulatory arrangements that will affect the labour market.

- Qualified educators will be in higher demand in long day care (LDC) centres. Unqualified staff — currently over 20 per cent of workers in approved LDC services — will have to undertake training or move to other sectors. Family day care (FDC) educators will be faced with a similar choice.
- Both the NQA and the NPA ECE will increase demand for early childhood teachers. The interplay between the two policies, including timelines and the work requirements imposed on teachers, will have to be considered.

The extent of increase in demand also depends on the second-round effects of the COAG reforms. The expansion of the workforce will lead to higher ECEC fees, which in turn are likely to lead to lower demand for services and fewer children may attend (chapter 3). As the number of workers is closely linked to the number of children, a drop in demand for services may offset some of the staffing increases required by the new policies (appendix E).

Demand should then be compared to supply, which reflects the available ‘stock’ of qualified ECEC workers and the ‘flow’ of workers who are expected to enter or exit the ECEC sector (figure 11.3).

Figure 11.3 Stocks and flows of ECEC workers



The flow of workers into ECEC is likely to include:

- newly trained workers, including high-school graduates, workers in related sectors, older workers returning to the workforce, and people changing careers
- the ‘reserve’ pool of qualified workers, who are qualified to work in ECEC but are currently working in other occupations or are not in the labour force
- primary school teachers.

At the same time, workers will continue leaving the sector, particularly if they do not wish to undertake training, or if they are offered higher wages elsewhere.

If supply is inadequate to meet demand, the EYDWS should then seek to identify the most cost-effective policy instrument to increase supply. The strategy will need to consider three aspects of labour supply:

- recruiting sufficient numbers of qualified staff to address current shortages and comply with the requirements of the NQA and the NPA ECE
- training staff in line with NQA and NPA ECE regulations
- the retention of staff to ensure optimal use of resources.

To address labour market imbalances, the most direct policy interventions include training and wage subsidies. Training subsidies encourage students to gain the

required qualifications to work in the sector. Wage subsidies can either be offered to individual workers, as direct transfers or tax breaks, or to services, which can receive subsidies to increase staff wages (box 11.1).

### Box 11.1 What are some economic policy tools?

There are two main economic approaches to directly improving the financial attractiveness of employment in ECEC and boosting supply in the labour market. The first is to raise the return to workers of participating in the ECEC labour market, and the second is to reduce the cost to workers entering the market.

The first approach is to pay ECEC services to employ additional staff (figure A). This payment can be a wage subsidy paid to employers. It provides ECEC services with an incentive to increase the number of workers they employ (from  $L_0$  to  $L_1$ ), and the wage paid to employees increases from  $w_0$  to  $w_1$  as a result.

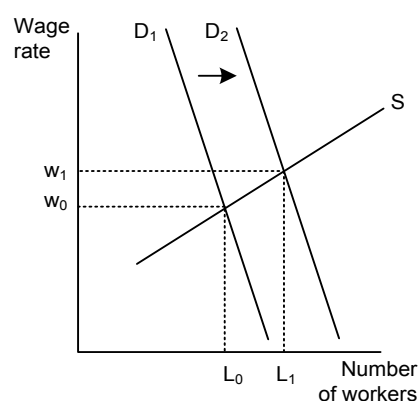


Figure A

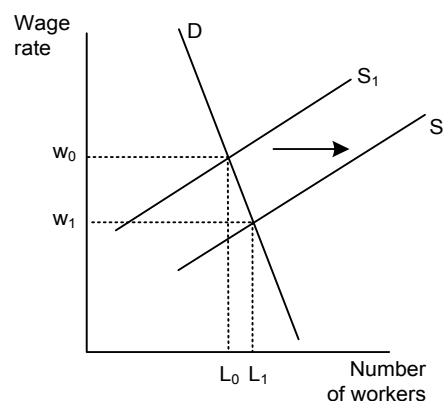


Figure B

Reducing the financial and opportunity costs of attending education and training through scholarships or the provision of accelerated training or both, can increase the supply of workers. These policy approaches lower the wage required to attract sufficient workers to meet a given level of demand, as the costs staff have to bear to enter the labour market is lower (figure B).

Indirect approaches can also be considered. While the examples above focus on changes in financial costs, other non-financial factors can also be important in attracting and retaining workers. Examples of such factors include improving the status of workers, or providing them with professional development and support, easier access to training, more opportunities to experience working in different environments (such as rural communities) and better career paths.

In the recent past, governments have mostly chosen to subsidise training, with fee waivers for some vocational education and training courses, funding for recognition of prior learning and other training subsidies (chapters 3 and 10). Wage subsidies

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have been used when the Australian Government first intervened in the ECEC market, in 1972. Later, the structure of funding changed, to subsidise costs to parents, rather than wages (Brennan 2007).

Current ECEC workforce policies funded by governments are extensive, and include an array of training subsidies and employment incentives (see current ECEC workforce policies below). Despite this, there has been little in the way of evaluations to determine which type of policy is the most cost effective.

Evaluating the costs and benefits of existing policies should take priority within the development of the EYDWS. The lack of evaluation makes it difficult to determine the best policy approach to resolving labour supply issues. For example, the majority of current policies focus on subsidising training. However, their effectiveness in increasing qualification levels across the sector and ensuring that graduates work in ECEC has not been fully established.

#### FINDING 11.1

*Despite the large number of existing ECEC workforce policies, a lack of evaluation makes it difficult to assess which policy tools will be most effective for the Early Years Development Workforce Strategy.*

As a national strategy, the EYDWS will be in a position to consider workforce planning across sectors, such as other community services (chapter 4), as well as across jurisdiction boundaries. For example, the Western Australian Government has been recruiting teachers from Tasmania (Western Australia Department of Education, sub. 44), while the ACT Government reports that its ECEC workforce plans depend to a large extent on developments in New South Wales (Ministerial Council for Federal Financial Relations 2009).

The EYDWS should also take into account the different effects the COAG reforms will have on the various parts of the ECEC sector. Commission modelling suggests that the increase in demand for qualified staff as a result of the reforms is likely to be much stronger in preschool than in LDC (appendix E). Therefore, the EYDWS may need to consider tailoring some of its labour market policies to the different levels of demand across the ECEC sector, as well as the different funding pressures faced by governments, services and users.

Expected changes to the funding structure of the higher education sector may also need to be taken into account when designing the EYDWS. From 2012, universities will receive funding from the Australian Government based on student demand. This will link the level of funding to the number of students enrolling in a specific course and remove other planning controls. Given the relatively low level of

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demand for early childhood teaching courses, the number of places offered by universities is unlikely to rise (chapter 10). This would exacerbate workforce pressures in the ECEC sector.

The EYDWS can promote innovative workforce practices. In 2009 and 2010, the Australian Government provided funding for 21 innovative workforce projects. These small-scale projects focused on the delivery of training and professional support programs, and creating links between ECEC services and their staff. Many initiatives focused on Indigenous staff (DEEWR ndm). While these programs achieved their goals, additional funding will be required to examine whether they can be effectively extended beyond their initial target audience.

The New South Wales Government stated that the EYDWS will consider issues such as professional development, support for workers from culturally and linguistically diverse backgrounds, and the needs of integrated ECEC services (sub. DR326).

An appropriate assessment of the cost-effectiveness of any policy changes implemented as part of the EYDWS should be conducted. This assessment should take into account the direct costs of the changes, as well as the community-wide effects (appendix C).

RECOMMENDATION 11.1

***The Early Childhood Development Working Group should ensure that the Early Years Development Workforce Strategy:***

- ***contains clearly identified objectives***
- ***uses sound data on the workforce and clear, robust assumptions about future policies to make projections of expected ECEC workforce demand and supply***
- ***evaluates the costs and benefits of existing workforce policies to determine the most cost-effective instrument to address supply limitations***
- ***takes into account both direct and community-wide effects in assessing cost effectiveness.***

## **11.2 Current ECEC workforce policies**

Governments have already put in place planning initiatives relating to the ECEC workforce. Some of these policies have been operating for a number of years, while others have been designed specifically to prepare for the upcoming reforms. They seek to draw more workers into ECEC across all levels of qualifications, improve the qualification levels of existing workers, and increase staff retention (table 11.1).

Table 11.1 **ECEC workforce initiatives**

	<i>Workforce strategy</i>	<i>Recruitment policies</i>	<i>Training subsidies</i>	<i>Retention policies</i>
Australian Government	Under development	na	Available for all qualifications and recognition of prior learning (RPL)	na
NSW	Children's Services – Quality care for our children (2011)	na	Available for all qualifications and RPL	na
Vic	Improving Victoria's Early Childhood Workforce (2009)	<ul style="list-style-type: none"> <li>• Employment incentives in hard-to-staff locations</li> <li>• Marketing and promotions</li> </ul>	<ul style="list-style-type: none"> <li>• Available for all qualifications and RPL</li> <li>• Include funding for backfilling staff</li> </ul>	Mentoring and professional development
Qld	Early childhood education and care workforce action plan (2011)	<ul style="list-style-type: none"> <li>• Employment incentives in rural and remote areas</li> <li>• Marketing and promotions</li> </ul>	<ul style="list-style-type: none"> <li>• Available for teaching degrees and RPL</li> <li>• Emphasis on Indigenous, rural and remote areas</li> </ul>	Mentoring and professional development
SA	.. <sup>a</sup>	na	Available for all qualifications and RPL	na
WA	.. <sup>b</sup>	na	Available for teaching degrees and certificate III	Mentoring for Indigenous staff
Tas	.. <sup>c</sup>	na	Available for all qualifications and RPL	Mentoring
NT	Under development <sup>d</sup>	Marketing and promotions	<ul style="list-style-type: none"> <li>• Available for teaching degrees and certificate III</li> <li>• Support for Indigenous students</li> </ul>	na
ACT	Supporting Quality Early Childhood Education and Care (2011)	na	Available for teaching degrees and certificate III	Professional development

<sup>a</sup> Workforce development is a goal under South Australia's Action Plan for Early Childhood and Child Care (Government of South Australia 2007). The South Australia Government has also established an ECD workforce taskforce (Government of South Australia, sub. 66). <sup>b</sup> The development of ECEC services is a goal under the Skilling WA strategy (DTWD 2010). <sup>c</sup> The Whole of Government Policy Framework for the Early Years (Department of Premier and Cabinet (Tasmania) 2005) identified workforce development as a priority. <sup>d</sup> The Northern Territory Department of Education and Training is developing the NT Wide Early Childhood Workforce Plan (DET NT 2011c). .. Not applicable. na Not available.

Sources: Children's Policy and Regulation Unit (ACT) (2011); DET NSW (2011); DEECD (2009); DET NT (2009); DoE Western Australia (2011c); DECS (2011b); Queensland Government (2011a).

### *Interim waivers as a workforce planning tool*

In addition to supporting the workforce in undertaking training, all states and territories have been issuing temporary waivers to ECEC services that have been unable to recruit the number of qualified staff required by legislation. Across Australia, 10 per cent of ECEC services hold waivers (chapter 3). The incidence of waivers differs markedly by jurisdiction and by service type (table 11.2).

**Table 11.2 ECEC services holding staffing waivers, by jurisdiction<sup>a</sup>**

	<i>Long day care</i>	<i>Occasional care</i>	<i>Outside school hours care</i>	<i>Preschool</i>	<i>Total</i>
	Per cent	Per cent	Per cent	Per cent	Per cent
NSW	8	11	12	9	9
Vic	4	–	15	3	7
Qld	5	30	8	7	6
SA	9	–	30	14	19
WA	8	13	10	8	8
Tas	55	–	14	2	17
NT	43	na	13	32	28
ACT	57	67	36	13	38

<sup>a</sup> No waivers were reported for family day care services. **na** Not available. – Nil or rounded to zero.

Source: Productivity Commission estimates based on unpublished DEEWR data.

The share of services holding waivers increases with remoteness. In remote and very remote areas, 33 per cent of LDC services hold waivers, compared with 7 per cent in major cities. In Tasmania, for example, nearly all waivers were issued to services outside major cities. For preschools, however, waivers are least likely to be issued in inner regional areas (DEEWR ndf).

At the same time, the number of staff working in exempt positions remains small as a share of the total ECEC workforce. Across Australia, 1.3 per cent of the LDC workforce and 2.4 per cent of the preschool workforce are employed in positions that require higher qualifications than those they hold. While shortages of qualified staff may be acute in some areas, the absolute number of staff required to address these shortages under current regulations is small. For example in the ACT, recruiting an additional 123 qualified workers, or 7.5 per cent of the total ECEC workforce in that jurisdiction, would be sufficient to resolve all waivers (DEEWR ndf).

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## Workforce planning for the NPA ECE

The bilateral agreements signed by all states and territories with the Australian Government as part of the NPA ECE include detailed plans for the early childhood education workforce. Strategies differ by jurisdiction, but mainly focus on increasing the number of 4-year-qualified teachers (required specifically in the NPA ECE to deliver preschool programs) by either providing scholarships to students or supporting staff in upgrading their qualifications. There are also a few examples of employment incentives offered to services or individual staff members (table 11.3).

In New South Wales, the Teacher Costs Contribution Scheme will offer a one-off payment of between \$6000 and \$8000 to all services that employ early childhood teachers. An additional \$1000 will be payable for services in remote areas. The payment will be offered for each teacher employed. Though in the bilateral agreement the scheme was intended to operate for more than one year, it has been scaled back recently and will only be offered in 2011-12.

Services can use the payment to offset the cost of employing a teacher, or to fund recruitment and retention incentives or professional development, including upgrading qualifications (Department of Education and Communities NSW nd). Study participants expressed concern that the policy will not be sufficient to address the difference in pay between teachers in ECEC and those working in schools (Community Connections Solutions Australia, sub. 75). The Independent Education Union of Australia suggested doubling the subsidy amounts offered to not-for-profit centres, and requiring the subsidy to be used to increase wages (sub. 50).

Victoria and Queensland are offering targeted subsidies.

- The Victorian Government offers incentives to early childhood teachers and diploma-qualified staff who take up positions in hard-to-staff locations. Teachers can receive up to \$12 000 if they commit to work in these locations for a minimum period of time (DEECD 2010d). Since the policy has been put in place, 10 teachers have received the incentives (Victorian Government, sub. 87).
- Queensland offers incentives that combine scholarships to teachers with wage supports for employers. As part of the Early Childhood Teacher Scholarship Program 2011, teachers with 3-year degrees who are currently employed in an ECEC service can receive a scholarship to upgrade their qualification to a 4-year degree. The state government will pay 50 per cent of their salary during their studies (Queensland Government 2011b). Study participants questioned the effectiveness of the policy in addressing teacher shortages (Queensland Catholic Education Commission, sub. 13).

**Table 11.3 Jurisdictional workforce strategies for the NPA ECE**

	<i>Commitments included in the bilateral agreement</i>	<i>Progress reported in the 2009 annual reports on implementation of the NPA ECE</i>
NSW	<ul style="list-style-type: none"> <li>Teacher Costs Contribution Scheme – an amount will be payable to every licensed centre-based or mobile service in NSW employing an early childhood teacher</li> </ul>	<ul style="list-style-type: none"> <li>The Scheme will operate in the 2011-12 financial year, following consultation with stakeholders</li> <li>Enhancing data collections and qualification assessment systems</li> </ul>
Vic	<ul style="list-style-type: none"> <li>Focus on retaining, and later upskilling, 3-year trained teachers as part of the <i>Improving Victoria's Early Childhood Workforce</i> strategy</li> </ul>	<ul style="list-style-type: none"> <li>Continuing to implement the workforce strategy</li> </ul>
Qld	<ul style="list-style-type: none"> <li>Provide scholarships to encourage ECEC staff to upgrade to teaching qualifications</li> <li>Work to encourage qualified teachers to work in ECEC settings (particularly long day care)</li> </ul>	<ul style="list-style-type: none"> <li>Designing scholarships policy</li> <li>Providing targeted subsidies to attract and retain qualified teachers in rural and remote areas</li> <li>Supporting primary school teachers to enter the ECEC workforce</li> </ul>
SA	<ul style="list-style-type: none"> <li>Recruit additional 4-year trained teachers</li> <li>Upskill 3-year trained teachers currently working in government preschools</li> </ul>	<ul style="list-style-type: none"> <li>Commenced scholarships for existing teachers</li> <li>Designing a new in-service course for teachers, which includes a recognition of prior learning process</li> </ul>
WA	<ul style="list-style-type: none"> <li>Recruit additional teachers and assistants</li> <li>Develop scholarships, and work with universities to provide recognition of prior learning arrangements and early childhood conversion courses</li> </ul>	<ul style="list-style-type: none"> <li>Provided early childhood scholarships to staff undertaking bachelor degrees</li> <li>Funded a recognition of prior learning process for preschool assistants</li> </ul>
Tas	<ul style="list-style-type: none"> <li>Increase the number of teachers specialising in early childhood</li> </ul>	<ul style="list-style-type: none"> <li>Developing course options for teachers</li> <li>No shortage of early childhood teachers was noted</li> </ul>
NT	<ul style="list-style-type: none"> <li>Increase the number of early childhood teachers with 4-year degrees</li> </ul>	<ul style="list-style-type: none"> <li>Commenced discussions with education providers to provide incentives to teachers</li> <li>Improving recruitment strategies and teacher allocations in schools</li> </ul>
ACT	<ul style="list-style-type: none"> <li>Increase the number of early childhood teachers with 4-year degrees</li> </ul>	<ul style="list-style-type: none"> <li>Supporting primary school teachers to gain an early childhood qualification</li> <li>Funding certificate III training for preschool assistants</li> </ul>

Source: Ministerial Council for Federal Financial Relations (2009); DEEWR (ndg).

An early evaluation report of the NPA ECE found that ‘virtually all’ jurisdictions have met their workforce development targets in 2009 (Urbis 2010,

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p. 94). However, the report did not assess the various strategies employed by the states and territories to achieve these targets. This may be due to the fact that the evaluation was undertaken very early in the implementation of the NPA ECE. The Australian National Audit Office has currently conducted an audit to assess the implementation of the NPA ECE (ANAO 2011), and a review focusing on the funding structures has also been undertaken (MCEECDYA 2011b). Future evaluations of the NPA ECE may be useful in determining the most cost-effective workforce strategies in different institutional environments.

### **11.3 Implications for the Early Years Development Workforce Strategy**

The existing ECEC workforce policies lay the foundation for the development of the EYDWS. The Department of Education, Employment and Workplace Relations argued that:

... workforce development remains critical to the success of the early childhood reform agenda. The Australian Government is committed to working with states and territories to develop a national Early Years Workforce Strategy. The Strategy will complement and build upon existing Commonwealth, state and territory government measures aimed at improving the supply and quality of the early childhood education and care workforce. (sub. 86, p. 35)

The choice of the most appropriate policies to achieve the EYDWS goals will depend on cost–benefit considerations and the ECEC quality goals that governments aim to achieve. Different workforce policies may have different effects on ECEC quality. For example, research suggests that increasing staff qualifications has a positive effect on the outcomes of children attending ECEC (appendix C).<sup>1</sup> On the other hand, waivers have been shown to have a potentially negative effect on quality (chapter 3). From 2012, the NQA will introduce permanent waivers that are not currently offered by state and territory regulators. If permanent waivers were to be used as a workforce planning tool in the face of persistent shortages of qualified staff, this may have detrimental effects on service quality, and hence the implementation of the COAG reforms. As waivers are currently most common in remote areas, this may further contribute to exacerbating the gaps affecting disadvantaged children, compared with other groups in the community.

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<sup>1</sup> While the research supports the notion that teaching degrees are important for children's outcomes, the evidence on course duration is less conclusive (appendix C). This may prove important given the various types of teacher qualifications in different jurisdictions.

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## **Training subsidies: does supply match demand?**

Training subsidies lower the cost of entering the ECEC sector and they can be effective in increasing the supply of qualified workers. Their effect on wages — which influence future recruitment and retention rates — is more difficult to determine. As more workers are expected to enter the field, increased supply may lead to lower wages; at the same time, the higher levels of qualifications that staff hold are expected to lead to an increase in wages.

For staff who have already gained the qualifications, however, the subsidies act to indirectly reduce wages, by increasing the supply of qualified labour at any given wage level.

Training subsidies are delivered in a number of ways.

- Fee waivers are the most direct form of intervention, and are expected to generate a relatively rapid increase in enrolments for the courses that governments support. The result in the labour market depends on completion and retention rates. There is, however, a risk that training subsidies entrench high turnover rates in the ECEC sector, as more people complete qualifications only to leave the sector shortly after graduation. The increase in enrolments can also have implications for the quality of training (chapter 10).
- Student loan waivers or discounts require individuals to complete their qualification and work in a specific location before they benefit from a subsidy. While this option is likely to have a more modest effect on enrolments, the impact on the labour supply may be more pronounced as graduates must work in the sector for a period of time.
- Training institutions receive government support to offer relevant courses (chapter 10). In this case, the impact on the labour market will depend on the wages graduates can expect, and the extent to which they offset training costs.

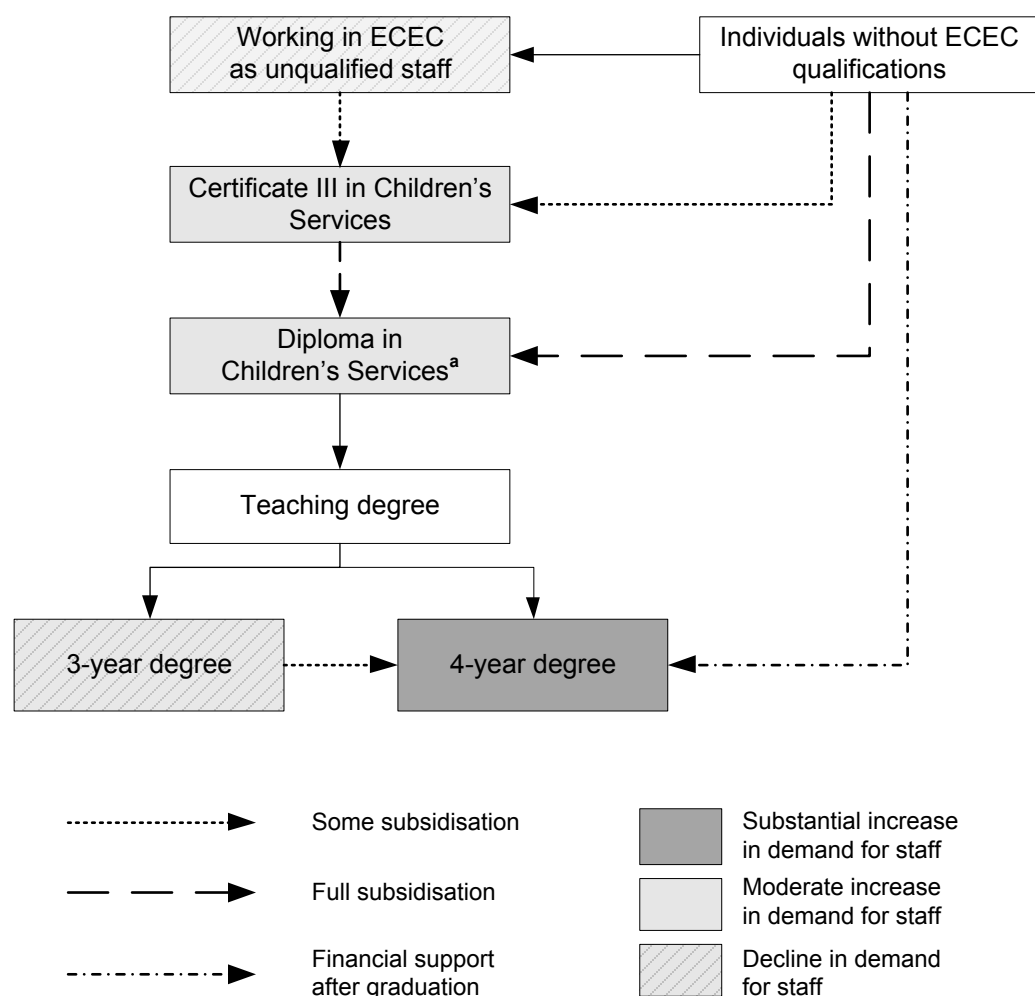
Current ECEC training subsidies offer different levels of support for various qualification levels. The support offered is not always targeted towards the parts of the workforce where shortages are most pronounced (figure 11.4).

### ***Student subsidies: focusing on diploma studies***

The most generous subsidies are offered to individuals undertaking studies towards a Diploma in Children's Services, under the National Partnership Agreement on TAFE Fee Waivers for Child Care Qualifications. Students who undertake a diploma or an advanced diploma at TAFE institutes or government training providers are exempted from regulated course fees until 2013-14 (COAG 2009g).

The total cost of the fee waivers is expected to reach \$115 million over four years (DEEWR ndj).

Figure 11.4 **Career pathways in ECEC**



<sup>a</sup> Subsidies are available in some jurisdictions for diploma holders who are undertaking studies towards a teaching degree.

This policy has been successful in attracting more students to diploma courses — between 2008 and 2009, the number of students increased by 57 per cent to over 20 500 (CSHISC 2011). However, in the past, only 20–25 per cent of enrolled students completed the qualification (Watson 2006), and completion rates may decline further as enrolments expand.

Given low completion rates, and the fact that graduates are not required to work in ECEC once they receive their qualification, the fee waiver policy may not lead to a sufficient increase in diploma-qualified staff working in ECEC services. Therefore, funding may be required beyond 2013-14.

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The level of support offered to students of early childhood teaching degrees is lower than for diplomas, despite low supply and the fact that demand for teachers is set to increase substantially as a result of the NQA and the NPA ECE. Students are only able to access financial support after they graduate, via benefits that reduce their HECS-HELP repayments. Benefits are larger for graduates who work in disadvantaged communities (chapter 5).

The Australian Government is funding 1500 additional university places for early childhood students, though this will not affect student fees. However, due to the different wages and conditions offered in the school sector (chapter 5), ‘recent increases in the number of places in university teaching programs may not translate into additional teachers in the early childhood education workforce’ (MCEECDYA 2011b, p. 23). There are also concerns about pathways for staff holding diploma qualifications who wish to obtain a university degree (chapter 10).

Governments also provide a range of other support for vocational education and training (VET), which can assist students to undertake certificate courses in children’s services. Despite these subsidies, certificate courses generally require some co-payments from students, either directly through course fees or indirectly through the lower wages offered to students undertaking traineeships. Co-payments may be beneficial in promoting completion rates, as students may be reluctant to forego the fees already paid. They also appear to have a positive effect on retention (chapter 10).

### *Training subsidies for unqualified ECEC staff*

In most jurisdictions, unqualified workers in ECEC services can access funding to undertake certificate III courses, or access the recognition of prior learning process. A number of study participants called for the Australian Government to cover the cost of certificate III courses for existing staff, and particularly family day care educators (Family Day Care Australia, sub. DR211). The Australian Services Union argued that:

It is unrealistic and unfair to expect the 43% of the workforce without post high school qualifications to foot the bill for qualifications. (sub. DR213, p. 3)

Further evaluation of current training trends is required before extending the subsidies offered to unqualified staff. Between 2006 and 2010, the number of unqualified ECEC staff undertaking studies has grown by 57 per cent. During the same period, the number of unqualified staff who were not studying remained almost unchanged (Productivity Commission estimates based on unpublished DEEWR data). This suggests that the existing support mechanisms, in conjunction with changes in recruitment practices within the ECEC sector, have led to a

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substantial increase in staff training. As the NQA further cements the requirements for qualifications, the ongoing increase in training is likely to continue.

The Australian Government is offering subsidies for training directly to ECEC services in disadvantaged areas. Eligible services will receive a one-off grant of \$5000 for training or professional development for staff, to subsidise the cost of backfill staff or to fund other improvements in line with NQA requirements (Ellis 2011).

### *Barriers to effective policy*

The effectiveness of training subsidies in increasing the supply of appropriately qualified staff is heavily influenced by conditions in the education market, as well as the ECEC labour market.

- For students in the vocational education and training (VET) sector, the variable quality of registered training organisations affects the services delivered by graduates. Governments have employed various tactics to address this issue (chapter 10).
- For staff upgrading their qualifications from a certificate III to a diploma, the increase in wages may not be commensurate with the increase in responsibilities (chapter 4). This may lead to high turnover and low retention within ECEC, which may limit the effect training subsidies have on the supply of qualified staff in the sector.
- For students undertaking early childhood education studies at universities, the pay gap between ECEC and the school sector may affect their eventual employment decisions (chapter 5). Offering more generous support to students in early childhood teaching degrees who commit to working in LDC centres may help to address this issue.
- After students complete their chosen course, the working conditions in the ECEC sector may lead to high turnover. Funding for certificate III and diploma level courses does not require graduates to remain in the sector for a minimum period of time. This may limit the effectiveness of training subsidies in increasing the supply of qualified ECEC staff. As a result, there may be limited return to governments' investment in training subsidies. Alternative types of subsidies can be considered to maximise the effect on labour supply. For example, subsidised fees for diploma students can be delivered via the VET FEE-HELP program, similar to the discounts available to students who complete teaching degrees and then go on to work in the sector.

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The Health and Community Services Workforce Council cautioned that:

Initiatives to increase the supply of ECD workers have often resulted in high churn in industries with many people being trained but only a small proportion of these staying in the industries. This will only be addressed if workforce planning is perceived as more than training: training is one part of workforce planning and development and a primary focus on training and qualifications often discounts other critical factors such as remuneration, career pathways and the undervalued nature of the sectors. Workforce planning must embrace the integrated nature of the system and include the development of mentoring programs, career pathways, ongoing professional development opportunities and relevant skills sets for specific areas. (sub. 56, pp. 13–14)

FINDING 11.2

*Funding for certificate III and diploma courses does not require graduates to remain in the sector for a minimum period of time. This may limit the effectiveness of training subsidies in increasing the supply of qualified ECEC staff. Alternative subsidy structures, such as those that are offered to students undertaking teaching degrees, can be considered to maximise the effect on labour supply.*

### **Wage subsidies: mixed results overseas**

Wage subsidies are the other policy option available to governments in order to boost the supply of qualified ECEC staff. Low wages have been named by many study participants as a major reason for the ECEC sector's workforce challenges. Despite substantial government funding to the sector, wages for ECEC staff remain low (chapter 4). A substantial increase in the supply of qualified staff, as required by COAG's reforms, may be difficult to achieve under these circumstances.

Unlike training subsidies, which aim to increase the number of qualified workers, subsidising wages focuses on improving the retention of qualified staff. This prevents the need to generate a constant stream of qualified workers to replace those leaving the sector, and may also enhance productivity and quality. Training subsidies may also improve labour supply by encouraging more people to complete an ECEC qualification and work in the sector.

While universal subsidies may not be best suited to achieving policy goals, subsidies that are targeted to hard-to-staff ECEC services, such as those operating in rural and remote locations, may be beneficial. In the few instances where wage subsidies are offered by Australian governments, these are targeted to specific population groups or to areas that experience substantial recruitment and retention

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problems.<sup>2</sup> One recent example is the General Practice Rural Incentives Program, which forms part of the 2009-10 Rural Health Workforce Strategy. General practitioners working in rural and remote communities are eligible for payments of between \$2500 and \$47 000 for each year of service (DHS 2011).

While none of the existing ECEC workforce policies directly subsidise wages, the recruitment and retention incentives offered in some jurisdictions may provide some indication as to the cost effectiveness of such policies. Some of the current policies are targeted, as is the case in Victoria and Queensland, while others, such as the Teacher Costs Contribution Scheme in New South Wales, are offered universally.

Universal wage subsidies have been suggested by a number of study participants as a solution to the workforce issues in the ECEC sector (Community Child Care sub. DR212, Community Child Care Co-operative, sub. DR183, Independent Education Union of Australia, sub. DR163, NSW early childhood teachers, sub. DR199). United Voice has put forward a plan for wage subsidies, which calls on governments, unions and employer representatives to agree on a 'professional wage' for all ECEC roles. According to the United Voice plan, governments would provide funding to increase wages in the sector from the levels specified in awards to the new 'professional wage'. This funding would only be offered to services that negotiate enterprise agreements based on the 'professional wage' (sub. DR166).

However, universal subsidies may fail to offer appropriate support to ECEC services that face the most substantial recruitment and retention challenges, while directing funds to services that are competing successfully in the labour market. This is because offering the subsidies to all staff and services would require governments to allocate limited resources across the entire ECEC sector.

There are a number of other options to deliver wage subsidies.

- A career and wage ladder, similar to the structure used in some states in the United States. This subsidy provides benefits to ECEC workers that are calculated based on their qualifications, years of experience and recent professional development activities, and can be delivered as hourly increments to their wage or as annual lump sums (NCCIC 2008). In Washington State, where priority was given to staff working with disadvantaged children, this policy was linked to higher quality in ECEC services. Similar results were reported in centres sponsored by the US Military, where teachers who do not participate in continuous professional development are at risk of losing their jobs (Moon and Burbank 2004). A potential risk associated with this policy is higher

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<sup>2</sup> Wage subsidies are available to employers of workers with a disability or eligible Indigenous workers (DEEWR 2011f, 2011t).

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regulatory and administrative burden on services and individual staff, as they apply for the wage subsidies.

- Tax breaks, such as special income tax rates or offsets, beyond the usual deductions available to all education professionals, including those working in early childhood (ATO 2011b). The compliance and enforcement costs of such a subsidy may raise substantial challenges.
- Using the historical model of childcare funding, under which ECEC services received 75 per cent of the wages paid to their qualified employees as a subsidy from government. No additional subsidies were offered to parents under this policy (Brennan 2007). Given the relatively low wages that are currently prevalent in the Australian ECEC sector, wage subsidies may not be more expensive than the existing parent subsidies — in 2008-09, ECEC services spent \$2.5 billion on labour costs (ABS 2010c), less than the \$3.1 billion spent on childcare subsidies (DEEWR 2011e). This model represents a significant departure from current funding structures, and such a transition would require careful planning and consideration.

When used recently in the United States and Canada, wage subsidies had varying degrees of success. Evaluations of these programs showed that targeted wage subsidies that were closely linked to qualifications and quality enhancements appeared to be more successful in increasing retention and quality than universal programs. However, their effect on total ECEC labour supply has not been measured (box 11.2).

**Box 11.2 Wage subsidies in the US and Canada**

Wage subsidies have been offered in recent decades in some states in the United States and some of Canada's provinces and territories. In both cases, the subsidies aimed to lift low wages and retention rates in the ECEC sector. The policies have been very different in their design and success rate.

Canada has no central funding system for ECEC, with each province and territory putting in place a different structure. Most favour supply-side funding, including training and wage subsidies, while others offer subsidies to parents. The wage subsidies are offered to ECEC services, rather than to individual staff. They apply universally to all staff, and are not always linked to qualification levels or length of service.

Despite the subsidies, wage increases were only observed in a small number of areas. In some cases, where subsidies were not linked to the level of staff qualifications, they had the effect of increasing the number of unqualified staff hired, as the subsidies covered a larger share of their wages. In addition, the widespread use of

(Continued next page)

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**Box 11.2** (continued)

waivers meant that employers could continue operating without hiring qualified staff. Researchers suggested this has kept wages low across the sector (CCHRSC 2009).

In the US, wage subsidies were found to be effective in retaining ECEC employees and increasing their average educational attainment (Park-Jadotte, Golin and Gault 2002). Twelve states offer different subsidy programs, usually targeted specifically to individual staff. Benefits are linked to qualifications, and in some cases require staff to upgrade their qualifications over time. Staff are required to remain at their current centre for a minimum amount of time. Montana and Oklahoma also link the subsidy to the quality level achieved by the centre. States have put in place various measures to ensure program costs remain reasonable (NCCIC 2008).

Some researchers imply that these methods are more effective in raising wages than training subsidies and professional development programs (Whitebook and Eichberg 2002).

Before considering the introduction of wage subsidies, governments need to assess the dynamics of the ECEC labour market and determine whether lifting wages for all ECEC workers is likely to have a positive effect on supply. A universal subsidy may improve retention, but it is unlikely to resolve long-term workforce issues. However, a more targeted approach to wage subsidies may support recruitment and retention in hard-to-staff locations.

## **11.4 Data requirements for the Early Years Development Workforce Strategy**

The EYDWS requires data on the extent and location of current and future supply in the ECEC workforce, and data to inform the choice of policy instrument to induce additional supply if required. Data are also required to inform policy makers as to the likely response of household demand for ECEC services to any policy changes (as this will subsequently affect workforce demand). There is a considerable volume of data already available to policy makers (appendix B). However, a number of study participants have identified areas where they consider current data collections to be inadequate (box 11.3).

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### Box 11.3 Participants' views on data

Many participants expressed concern regarding the quality of ECEC workforce data. Some participants noted that there were gaps in existing data collections.

Until there is a consistent data collection system implemented nationally, there will continue to be great gaps in collecting this information. (KU Children's Services, sub. 26, p. 5)

Being able to accurately quantify the extent of current workforce shortages ... is very difficult. The lack of specific research data contributes to this difficulty. (City of Greater Geelong, sub. 20, p. 6)

The Secretariat of National Aboriginal and Islander Child Care argued that there was a lack of workforce data on Indigenous ECEC workers.

There is minimal comprehensive data on our sector and we suggest a major data collection exercise be undertaken on the sector to identify our workers, their qualifications and needs. (SNAICC, sub. 29, p. 12)

The Western Australian Department of Education argued for greater consistency in workforce data.

[The Australian Government should] improve national consistency of early childhood education and care workforce data, and the collection, processing, and provision of this data. (sub. 44, p. 15)

And data on the movement of qualified workers within the community are necessary.

Data is required to determine the extent to which people participating in [ECD courses wholly funded by the Australian Government] ... move into or remain in the child care workforce. (Department for Communities (WA), sub. 59, p. 2)

Comprehensive data on the ECEC workforce is available in the form of the National Early Childhood Education and Care Workforce Census, although the 2010 census excludes non-mainstream services (and therefore Indigenous-focused services) (chapter 14). The Australian Census of Population and Housing is useful for analysing the total stock of workers outside the ECEC sector and their motivations to enter and exit the ECEC sector. However, the existing publicly accessible datasets (the confidentialised unit record files) are not sufficiently detailed to allow such analyses in support of a future ECEC workforce strategy.

The NQA and the NPA ECE require data collection and monitoring. There is also a large body of administrative data. However, access to consolidated datasets remains difficult. While the ABS community services survey (ABS 2010c) provides some cost data, there are gaps in these collections. These gaps could be addressed by extending the National Early Childhood Education and Care Workforce Census. However, ECEC services already face considerable regulatory burden, and requiring extra data collection would add to this burden.

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RECOMMENDATION 11.2

*To support the development, monitoring and evaluation of the Early Years Development Workforce Strategy, governments could usefully consider:*

- *improving access to the National Census of Population and Housing*
- *incorporating ECEC service costs in the National Early Childhood Education and Care Workforce Census.*

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## 12 Child health workforce

### Key points

- Child health services provide regular checks on the health and development of young children, with a focus on health promotion, prevention and the early detection of diseases and disorders. Such services support the health and wellbeing goals outlined in the National Early Childhood Development Strategy.
- Child health services are generally, but not exclusively, staffed by nurses with postgraduate qualifications in child health. Aboriginal and Torres Strait Islander health workers also play a role in delivering child health services to many Indigenous children.
- While child health services appear to be effective, more research is needed to determine the optimal content, number and timing of child health visits, and the best mix of skills and qualifications for the child health workforce.
- Around two per cent of the nursing workforce, or 5800 nurses, are employed in child health. Over half these nurses work part time, and less than four per cent are male. In line with their higher levels of qualifications and experience, child and family health nurses (CFHNs) are, on average, older than other nurses.
- In some jurisdictions, child health services do not employ sufficient nurses to deliver the recommended number of child health visits to every child, and only a small proportion of children receive at least half the scheduled visits.
- Although there are shortages of nurses in Australia and worldwide, child health nursing is a relatively attractive nursing speciality. Because of this, the supply of CFHNs is likely to increase in response to any increases in government demand for, and funding of, child health services.
- The effectiveness of scholarships in encouraging additional nurses to obtain qualifications in child health or to practice in areas of high demand should be assessed. Scholarships should only be provided where they are targeted at nurses who would not otherwise have chosen to practice in areas of workforce shortage.
- Victorian CFHNs are required to also be qualified midwives. There is insufficient evidence of the impact of this additional qualification on child health outcomes to justify extending compulsory midwifery qualifications to other jurisdictions.
- Governments should provide access CFHNs in as wide a range of locations as possible. Where this is not possible, such as small communities in very remote areas, other health professionals — such as remote area nurses and Aboriginal and Torres Strait Islander health workers — should receive training in child health.

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In addition to education and care, the early childhood development sector includes a range of other services designed to promote the health and wellbeing of young children. These include child health services and family support services (chapter 13). Child health services are attended on a voluntary basis, and have a particular role in promoting infant health and development, with children under one year of age being more likely to attend child health services than early childhood education and care (ECEC) services.

In considering the workforce for child health services, the Commission has focused on universal primary care services aimed at children and families. Other health services for children are generally provided in hospitals or by medical practitioners or allied health professionals. Workers in those settings form part of the health workforce, and were considered as part of the Commission's study of the health workforce (PC 2005). Similarly, allied health and early intervention professionals who provide services for children with additional needs are considered in chapter 8. Also, while acknowledging the importance of antenatal care in improving child outcomes (Government of South Australia, sub. 66), the Commission has focused on child health services provided to children from birth to school age.

Like many other developed countries (appendix D), Australia has a well-developed system of universal health services for young children, provided by community-based nurses. The job titles used by these nurses vary across Australia. Common titles include maternal and child and family health nurses (Victoria and the Australian Capital Territory), child and family health nurses (Western Australia, Queensland, and the Northern Territory), child and youth health nurses (South Australia) and child and family health nurses (New South Wales and Tasmania) (Kruske, Barclay and Schmied 2006). In Tasmania, such nurses are referred to as either child and family health nurses (Tasmanian College of Child and Family Health Nurses, sub. DR149), or Child Health and Parenting Service (CHAPS) nurses (Tasmanian Government, sub. 77).

In addition to differing titles, the qualifications and roles of these nurses also differ between jurisdictions (see below). Without ignoring their varied roles, for simplicity, the Commission has chosen to refer to all such nurses as 'child and family health nurses' (CFHNs).

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CFHNs are often the first point of contact for well-child care and parenting advice (Schmied et al. 2008). This reflects the changing nature of the CFHN role, in which the concerns about malnutrition and infectious disease that prompted the establishment of child health services now have less prominence (Vimpani 2004). In their stead, CFHNs:

... provide health education to families to promote health and wellbeing and prevent illness; offer support and guidance to families while developing parenting skills; assess child growth, development and behaviour at key ages and stages; guide and inform families in relation to family health, breastfeeding, immunisations, nutrition, accident prevention and child behaviour; and provide access to information on child and family services. (ANF sub. 80, p. 2)

In addition, CFHNs promote the parent–child relationship and parental social and emotional wellbeing, as well as participate in community capacity building activities in response to local needs such as parenting groups (CHoRUS, sub. DR159).

Some jurisdictions also provide additional definition to the CFHN role, and guidance to the CFHN workforce, through publications such as the New South Wales Child and Family Health Nursing Professional Practice Framework, which advocates the use of anticipatory guidance and other skills to assist CFHNs in their role (NSW Department of Health 2011).

In comparison with the ECEC workforce, CFHNs engage with children and their families very early in the life of the child, with most contact in the first 12 months of life (CHoRUS, sub. DR159). As one of the main contacts families have with health professionals in the early years of their child’s life, CFHNs also refer children to other health professionals, such as speech pathologists (Patricia Grant et al., sub. DR200). (The workforce for children with additional needs is considered in chapter 8.)

In some areas, child health services also employ Aboriginal and Torres Strait Islander health workers. These workers play an important role in increasing the accessibility of the services in which they work to Indigenous children and families. When child health services are accessible and effective, they can enhance development outcomes for Indigenous children by, for example, promoting the early identification and treatment of hearing impediments that affect children’s capacity to learn and socialise.

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## 12.1 Characteristics of the child health workforce

CFHNs comprise a small proportion of the nursing workforce. The exact size of the child health nursing workforce is unknown, as it includes:

- nurses currently working in child health
- nurses who hold postgraduate qualifications in child health (who may not be currently working in child health).

### Nurses working in child health

In 2008, 5788 nurses reported working in child and family health.<sup>1</sup> This represents around two per cent of nurses employed in clinical practice (AIHW 2010). While most nurses who report being employed in child and family health work in child health services, some may also work in other settings, such as children's hospitals or as school nurses.

On average, nurses who report working in child and family health are older than nurses working in other areas of clinical practice, are more likely to be female, to work part time and to be registered nurses (as opposed to vocationally trained, enrolled nurses) (table 12.1).

Similar observations about the CFHN workforce were made by study participants. For instance, the Municipal Association of Victoria reported that, of the 925 nurses employed in maternal and child health services in Victoria in 2010, 72 per cent worked part time and 14 per cent were aged 60 years or older. Only one male CFHN was reported (sub. 68). In Tasmania, 13 per cent of CFHNs were aged 60 years or older (Tasmanian Government, sub. 77).

Table 12.1 **Selected characteristics of nurses working in child health**

	<i>Average age</i>	<i>Male</i>	<i>Holds registration</i>	<i>Average working week</i>	<i>Work part time</i>
	Years	%	%	Hours	%
Nurses employed in family and child health	46.4	3.4	93.6	31.8	54.4
All nurses employed in clinical practice	44.1	9.4	81.3	33.4	47.9

Source: AIHW (2010).

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<sup>1</sup> In the Nursing and Midwifery Labour Force Survey (AIHW 2010), nurses were asked about their area of clinical practice. Those who selected 'family and child health' are referred to here as child and family health nurses.

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Nurses working in child and family health are more likely to hold post-registration or post-enrolment qualifications than nurses employed in other clinical areas, with 69 per cent of nurses working in child and family health having such qualifications. While postgraduate qualifications are required of CFHNs in some jurisdictions, nurses in similar roles in other jurisdictions may not have such qualifications (see below). Some nurses working in child and family health may also have relevant qualifications that are no longer offered, such as mothercraft nursing (DHS 2004b), and thus would not require postgraduate qualifications in child and family health.

Few data are available on staff turnover in child health services. Study participants did not consider turnover to be high (for instance, City of Casey, sub. 35; ANF, sub. 80). This would suggest that CFHNs ‘tend to remain in the field for many years’ (Victorian Government, sub. 87, p. 5). The Australian College of Children and Young People’s Nurses considered that the ‘predominant reason for turnover is retirement’ (ACCYPN, sub. 45, p.1), which also indicates that CFHNs have long careers in the sector.

### **Nurses with qualifications in child health**

It is difficult to obtain a comprehensive picture of the qualified CFHN workforce, for a number of reasons.

- Nursing registration data do not indicate whether nurses have qualifications in child health. Since 1 July 2010, the Nursing and Midwifery Board of Australia (NMBA) has been responsible for the professional registration of nurses and midwives. Unlike some of the state-based nurses boards it replaced, the NMBA does not ask for information on nurses’ specialist qualifications (such as child health qualifications) for registration purposes.
- Nurses with child health qualifications may not be employed in child health services. For instance, many nurses employed in general practice (as ‘practice nurses’) have postgraduate qualifications in child health nursing (Parker et al. 2009).
- Training and qualification requirements for CFHNs vary between jurisdictions. Some nurses with qualifications in child health may therefore not be considered to be qualified for child health roles in all jurisdictions.

### **Aboriginal and Torres Strait Islander health workers in child health**

In areas with large Indigenous populations, health services often employ Aboriginal and Torres Strait Islander health workers (AHWs). AHWs ‘generally provide a first

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point of contact for Indigenous people accessing health care services' (SCRGSP 2009, p. 7.16). The presence of these workers can encourage and support Indigenous families to access child health services, as in addition to their clinical role, AHWs 'play a key role in cultural brokerage between Western medical systems and Indigenous communities' (General Practice and Primary Health Care Northern Territory, sub. DR132, p. 6, cited in PC 2005).

As is the case with CFHNs, very few data are available on the relatively small number of AHWs who are involved in providing child health services. There are also very few reliable data on the AHW workforce as a whole.

AHWs are relatively poorly remunerated. For example, an AHW with a certificate III qualification employed under the Aboriginal Community Controlled Health Services Award 2010 would earn \$738.20 per week in their first year of employment. This compares to average weekly reported earnings for ECEC educators of \$753.50 (ABS 2010d), despite many educators not having certificate qualifications.

Health Workforce Australia is working to improve the available data on the AHW workforce, with a project currently underway that aims to:

... develop a national picture of the Aboriginal and Torres Strait Islander Health Worker workforce. This includes location, role, skills, qualifications and interface with other sections of the health workforce. It will also provide information to inform the development of national standards; scope of practice; workforce roles; career pathways and optimal mechanisms for interaction with other health professionals. (HWA nd)

This information will be particularly useful in planning for national registration of AHWs, which will commence on 1 July 2012.

## **Data on the child health workforce**

The absence of reliable data about CFHNs and AHWs who work in child health reduces governments' ability to effectively plan and deliver child health services. A number of study participants expressed concern about the limitations of data on the CFHN workforce (ACCYPN, sub. 45; NSW Government, sub. 79; ANF, sub. 80).

Several initiatives currently underway have the potential to improve the quality of data about CFHNs. The NMBA is moving towards a nationally uniform renewal date for nurse registration, along with standard registration categories. Such changes should improve data consistency at the national level. Some jurisdictions, notably Victoria, have also made efforts to obtain and examine data on the CFHN workforce (DHS 2004a).

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Employers and funders of child health services, notably state and territory governments, may nevertheless find it worthwhile to work with the NMBA and Health Workforce Australia to seek ways to progressively obtain and enhance administrative data collections on the child health workforce. In doing so, adhering to standard business reporting (SBR) principles may assist these organisations to collect better data in a more efficient manner (see PC 2009a for further detail).

## **12.2 Demand for child and family health nurses**

### **Universal child health services**

Government policy on universal child health services is the main driver of demand for CFHNs. Each jurisdiction has a schedule of universal child health visits with a CFHN, ranging from six visits in South Australia to ten visits in Victoria (appendix C). The first visit usually takes place in the child's home, while the remainder are generally conducted in a community health facility (DEECD and MAV 2009a; NSW Department of Health 2011). The variation in the number of visits offered reflects historical differences between jurisdictions and the inconsistent evidence base for child health services (box 12.1). There is also considerable variation in the number of child health visits offered in other countries (appendix D).

The tasks involved in child health visits can be varied and complex.

[Child health services provide] a comprehensive and focused approach for the promotion, prevention and early detection of the physical, emotional or social factors affecting young children and their families, and intervention where appropriate. (DEECD 2011b, p. 14)

As well as checking on the health and development of the child, health visits can entail assessing the child's safety, providing parental support and education, and making referrals to other services (AAMCFHN, sub. DR151; ACCYPN, sub. DR169; Maternal and Child Health Nurses, Wyndham City Council, sub. DR202).

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### Box 12.1    **The evidence base for universal child health services**

Evidence about the effectiveness of universal child health services is scarce, with 'limited Australian and international research examining the outcomes or impact of child and family health nursing services' (Schmied et al. 2008, p. 19).

In its most recent review of evidence for child health screening and surveillance, the National Health and Medical Research Council considered that:

Some of [the activities to prevent problems from occurring or to promote or enhance health outcomes] have a strong evidence base (eg immunisation, breastfeeding); for others there are some limited data suggesting they are likely to be effective in facilitating improved outcomes (eg early literacy, injury prevention programs); some appear to be intuitive yet at present there is no compelling evidence as to their effectiveness in improving outcomes (anticipatory guidance, the provision of information to parents). (NHMRC 2002, p. 221)

There is also little evidence about the number of health visits (or 'well-child checks') that should be universally available:

Because well-child checks follow a 'one-size-fits-all' approach, many families are subject to unnecessary visits, while children with biological, psychological, or social risks do not receive the services they need due to time and resource constraints. (Bergman, Plsek and Saunders 2006, p. 3)

To date, there has been no rigorous evaluation of universal services provided by child and family health nurses or the equivalent in other countries ... there is little knowledge of the frequency and intensity of services required to achieve optimum outcomes. (Schmied et al. 2008, p. 19)

While there is little evidence for the optimal number and timing of health visits, or for the best time to offer certain interventions, some jurisdictions have developed evidence-based frameworks for the delivery of child health services. For example, the Key Ages and Stages framework used in Victoria is based on evidence relating to specific child health outcomes (DEECD and MAV 2009a).

A number of tools used by CFHNs are also evidence based, such as Parents' Evaluation of Developmental Status and the Edinburgh Perinatal Depression Scale (Cox et al. 1996; Glascoe 2003).

Child health services are mainly delivered in community health settings (such as maternal and child health centres and baby health clinics) that offer face-to-face services (at either scheduled appointments or drop-in clinics), or in the child's home, through health visits. Some jurisdictions also provide telephone support and advice on child health (Victorian Association of Maternal and Child Health Nurses, sub. 15) or child health visits via the Royal Flying Doctor Service.

Child health services are also increasingly being offered in integrated services (chapter 15). For instance, the Benevolent Society's Women's Health and Mother Baby Hub offers integrated primary health services to women and families in Strathpine, Queensland (sub. 49).

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Differences in the number of funded child health visits leads to considerable differences between jurisdictions in demand for CFHNs, with higher demand in jurisdictions that provide more visits (such as Victoria, New South Wales, Queensland and the Northern Territory). A national approach to universal child health services has been proposed (Allen Consulting 2009), and five jurisdictions are now supporting research on its implementation (ARC 2009). If such an approach were to lead to changes in the number of visits offered by some jurisdictions, there could be considerable change in the demand for CFHNs in those jurisdictions. Such change appears unlikely, however, as the national framework is still under review (CHoRUS, sub. DR159), and its adoption is uncertain (appendix F).

Changes that have been recently introduced include health and wellbeing checks for three-year-olds (Treasury 2011c) and four-year-olds (DoHA 2010a). These checks are funded by the Australian Government and are generally delivered by general practitioners or practice nurses. Recently enacted legislation makes payment of the Family Tax Benefit Part A Supplement conditional on parents taking their children for a four-year-old health visit (Macklin 2011). The three-year-old check remains voluntary, and includes consideration of emotional health and wellbeing (Treasury 2011a).

Regardless of the number of child health visits offered, changes in birth rates or service usage rates will also affect demand. Birth rates have increased in Australia in recent years (chapter 2), driving increases in demand for child health services. Study participants commented on the increased demand (for example, ACCYPN, sub. 45) and noted that increases have been particularly pronounced in some metropolitan areas (City of Casey, sub. 35; Western Australian Auditor General 2010).

The Tasmanian Government suggested that families in low socioeconomic status areas tend to rely more heavily on child health services (sub. 77), which may increase service usage — and thus workforce demand — in those areas. However, others have found that families of infants and toddlers from a higher socioeconomic background are more likely to attend child health services than those from lower socioeconomic backgrounds (Blakemore, cited in McCarthur et al. 2010).

Although all jurisdictions technically offer a specific number of child health visits, some jurisdictions do not employ sufficient CFHNs to deliver those visits. This can limit the ability of CFHNs in those jurisdictions to meet the health needs of children and families (Disability Services Commission, sub. DR364). If jurisdictions that employ comparatively fewer CFHNs expanded recruitment to meet their stated objectives, there would be a large increase in demand for CFHNs in those areas. For

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example, only a small proportion of children in Western Australia receive even half of the seven visits that are technically offered (Western Australian Auditor General 2010). This suggests the potential for increased demand for CFHNs in that state.

If funding for child health services increases in line with increasing birth rates, there will be substantial growth in demand for CFHNs. For example, the annual number of births in Queensland rose by 42 per cent between 1999 and 2009 (ABS 2010b). This would provide a rationale for increasing funding for child health services. Conversely, in the absence of evidence that the reduction in the average number of child health visits delivered by some jurisdictions has had a negative impact on the health and development of children in those jurisdictions, there could potentially be a case for reducing funding to universal child health services. This would in turn reduce demand for CFHNs.

The variation between jurisdictions is not limited to the number and timing of health visits. As previously mentioned, qualification requirements also vary across jurisdictions. This highlights the lack of evidence on what constitutes best practice in child health services. Addressing this gap would help to inform child health policy, and potentially increase the efficiency of child health funding. Specifically, the optimal number and timing of child health visits, as well as the interventions scheduled for each visit should be explored. This will in turn inform the debate about the optimal skills and qualifications for CFHNs — for example, the importance of postgraduate child health qualifications and whether additional qualifications such as midwifery or mental health qualifications should also be required.

#### RECOMMENDATION 12.1

***To demonstrate the cost effectiveness of child health services and better inform consideration of the mix of skills and qualifications in the child health workforce, state and territory governments should work with child and family health nurses to improve the evidence base for child health services. In particular, further research should seek to determine the optimal content, number and timing of child health visits.***

Study participants were generally supportive of this recommendation, with occasional caveats. For example, La Trobe University agreed ‘with the need for strong evidence on which to base child and family health services, but increasing this evidence base to an acceptable level ... will take time’ (sub. DR171, p. 1).

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## Targeted child health services

### *Vulnerable families*

Disadvantaged and vulnerable children have the most to gain from child health services (Marmot 2010). Targeted child health services provide extra contact or support for such groups. For instance, both New South Wales and South Australia have home visiting programs targeting vulnerable families (CYWHS 2005; NSW Department of Health 2009). The number of families assisted by home visiting and other targeted child health services is relatively small. For instance, the Enhanced Maternal and Child Health Service in Victoria was used by 1132 families in 2009-10 (DEECD 2010a).

Nurse home visiting programs are associated with improvements in some child outcomes and in parenting skills among vulnerable families (box 12.2). There was support amongst study participants for the further development of nurse home visiting programs (NIFTeY NSW, sub. 36; UnitingCare Children, Young People and Families, sub. 62).

### *Indigenous families*

Australian governments are seeking to reduce the gap in developmental outcomes between Indigenous and non-Indigenous children, with the Council of Australian Governments aiming to halve the gap in mortality rates for Indigenous children under five within a decade (COAG 2009b). Several targeted child health programs are designed to help reach this goal.

- The Australian Nurse–Family Partnership Program (ANFPP) supports pregnant Indigenous women to improve their own health and the health of their baby. It also provides parenting support and assistance in the early years of the child's life (ANFPP 2010). It is closely based on the US Nurse Home Visiting Program (Olds et al. 2007).
- The New Directions Mothers and Babies program funds services to increase access to antenatal care and to improve the birth weights of Indigenous babies, as well as to provide child health checks and parental education (DOHA 2011; NSW Child and Family Health State-wide Services Network, sub. DR148).

To the extent that these programs increase Indigenous families' access to, and use of, child health services, both increase demand for CFHNS.

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## Box 12.2 Nurse home visiting

### International evidence

Visiting pregnant women and new mothers at home, particularly those from vulnerable and disadvantaged groups, has become an increasingly important part of nursing practice in several countries. A review of reviews of ante- and post-natal home visiting programs found that they can be associated with:

- 'Improvements in parenting
- Reported improvements in some child behavioural problems
- Improved cognitive development, especially among some sub-groups of children such as those born prematurely or born with low birth weight
- A reduction in accidental injury among children
- Improved detection and management of post-natal depression
- Improved rates of breastfeeding' (Bull et al. 2004, p. 25).

Programs that target at-risk individuals tend to have larger effects on child outcomes (Sweet and Appelbaum 2004) and are significantly more cost effective (London Economics 2007).

While this evidence is promising, much of it emanates from the United States, principally from the Nurse Home Visiting Program (Olds et al. 2007), which targeted disadvantaged women in a number of US cities. Questions remain about the applicability of this research in other countries. There is also uncertainty about which model of home visiting best suits different families' needs, and the optimal duration of home visiting programs (Bull et al. 2004).

### Australian evidence

A randomised controlled trial of a targeted home visiting program was conducted in a multicultural, socioeconomically disadvantaged community in Sydney. It found that, compared to universal services, the targeted program was associated with:

- mothers becoming more emotionally and verbally responsive toward their child
- increased duration of breastfeeding
- a number of benefits to mothers suffering from psychosocial distress.

Notably though, no significant differences were observed in child mental, psychomotor, or behavioural development (Kemp et al. 2011).

## Child and family health nurses in general practice

CFHNs are trained in health promotion and preventive care and generally have experience in delivering such care in a community setting. Many nurses with child

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health qualifications work as practice nurses, mainly because, until quite recently, certificates and diplomas in child health nursing were some of the few qualifications that equipped nurses to work in community settings (Parker et al. 2009). Initiatives to encourage general practices to employ practice nurses, such as the Practice Incentives Program (Medicare Australia 2010), are therefore likely to increase demand for CFHNs, at least in the short term.

As the number of graduates of recently developed practice nursing courses increase, demand for CFHNs in general practice is likely to fall. The substantial number of qualified CFHNs working in general practice could therefore be thought of as a reserve pool of CFHNs, who may return to child health over time. That is not to say that all practice nurses could potentially work as CFHNs, rather that those holding the relevant qualifications could do so — subject to the currency of those qualifications.

## **12.3 Supply of child and family health nurses**

The ability to recruit and retain nurses to child health services depends on the attractiveness of employment in those services, compared to nurses' other employment options. While this is largely determined by the remuneration and conditions offered to CFHNs, other factors also contribute to making child health nursing attractive to many potential workforce entrants. For instance, professional autonomy and the ability to establish relationships with families contribute to the desirability of working in child health (ANF, sub. 80), as does the absence of shift work.

Indeed, child health nursing is one of the more attractive nursing specialties, with stakeholders reporting 'no shortage of nursing graduates wanting to work in children's health care' (ACPCHN 2002, p. 1). While CHoRUS considered that the appointment of lesser qualified nurses to child health positions to be evidence of workforce shortages (sub. DR159), this is more likely to be a reflection of government policy decisions, as governments are the main employers of CFHNs. However, there are barriers to entry to child health nursing, and removal of these barriers (see below) would increase the supply of CFHNs.

### **Remuneration**

In all jurisdictions except Victoria, CFHNs are employed by state and territory governments. They generally receive the same wages as nurses with postgraduate qualifications in other fields of nursing, as they are employed under the same

awards and agreements as other nurses. However, there is considerable variation between jurisdictions in wage rates for CFHNs (table 12.2).

**Table 12.2 Wages for child and family health nurses**

Annual wage at first pay point, 1 January 2011<sup>a</sup>

	<i>NSW<sup>b</sup></i>	<i>Vic<sup>c</sup></i>	<i>Qld</i>	<i>SA</i>	<i>WA</i>	<i>Tas</i>	<i>NT</i>	<i>ACT</i>
\$	62 933	83 644	71 297	59 377	66 948	60 087	72 761	72 960

<sup>a</sup> Excluding allowances and loadings. <sup>b</sup> At fifth pay point. <sup>c</sup> Productivity Commission estimate based on enterprise agreements from 67 of the 79 local governments in Victoria.

*Sources:* ACT Public Sector Nursing and Midwifery Enterprise Agreement 2010-2011; Northern Territory Public Sector Nurses' 2008 – 2011 Union Collective Agreement; Nurses and Midwives Heads of Agreement 2010 (Tasmania); Nurses and Midwives (Queensland Health) Certified Agreement 2009; Nursing/Midwifery (South Australian Public Sector) Enterprise Agreement 2010; Public Health System Nurses' and Midwives' (State) Award 2011; Registered Nurses, Midwives and Enrolled Mental Health Nurses Australian Nursing Federation – WA Health Industrial Agreement 2007.

In Victoria, CFHNs are employed by local governments under municipal enterprise agreements. There is no formal mechanism for aligning CFHN wages with those of nurses in other local government areas or in the health system. While there are many enterprise agreements in Victoria, the various wages under these agreements are generally higher than those in most other jurisdictions. These differences in wage rates are likely to remain despite the introduction of modern awards, as current rates of pay in Victoria are well in excess of those in the modern award.

More importantly however, wage variation between jurisdictions has come about because CFHNs are generally paid at the same rate as other nurses (although CFHNs do not receive shift penalty payments and so tend to have lower take-home pay — see below). This wage parity is important in ensuring the ongoing attractiveness of child health nursing within jurisdictions, and would appear to be the main reason why study participants did not express concerns about the adequacy of remuneration for CFHNs.

However, the Tasmanian Government (sub. 77) noted that, despite notionally equal rates of pay, differences in salary packaging arrangements between hospitals and child health services can affect the relative attractiveness of the remuneration offered by child health services. Local governments in Victoria raised similar concerns (Municipal Association of Victoria, sub. 68), with the City of Greater Geelong suggesting that nurses 'are likely to suffer significant pay losses (including superannuation, salary sacrifice and the inability to transfer other entitlements such as long service leave from the public hospital system to local government) if they choose to become [child health] nurses' (sub. 20, p. 6). Despite this, as funders or employers of nurses in both hospitals and child health services, state and territory governments could, over time, choose to reduce such differences if necessary.

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While the jurisdictional variation in wage rates may lead CFHNs to move to higher-paying jurisdictions, this tendency is limited by variations in qualification requirements (see below).

## **Employment conditions**

### *Working hours*

As noted in table 12.1, more than half of the nurses employed in child and family health work part time. Part-time work is more common among nurses employed in child health than among nurses employed in any other clinical area except midwifery (AIHW 2010).

Study participants also considered rostering arrangements in child health services to be attractive. For example, the Australian Nursing Federation considered that CFHNs ‘have largely predictable and stable rostering arrangements when compared to their acute sector nursing and midwifery colleagues. The requirement for them to work shift work is minimal’ (sub. 80, p. 3). Similarly, the City of Casey considered flexible working hours to be a benefit of working in child health services (sub. 35). The availability of part-time work, together with the absence of shift work and control over working hours, is attractive for many nurses, despite not receiving shift penalty payments.

### *Location*

As community-based nurses, employment opportunities for CFHNs are geographically dispersed, broadly in line with the distribution of the population. Positions in inner city areas are attractive and easy to fill, perhaps because nurses tend to work locally and prefer not to commute long distances. Because turnover is low, vacancies in these areas arise relatively infrequently. Most vacancies arise in child health services in outer metropolitan growth areas and rural areas. There were reports that positions in these areas can be difficult to fill (City of Greater Geelong, sub. 20; City of Casey, sub. 35), but few data on vacancies are available at the local level.

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## 12.4 Training and workforce planning for child and family health nurses

### Training and qualifications

#### *Training child and family health nurses*

The undergraduate nursing curriculum does not focus on child health, and provides limited exposure to nursing practice beyond the acute care sector (Parker et al. 2009). Nurses therefore require additional training in order to provide child health services, and most CFHNs hold a postgraduate certificate or diploma in child health. Masters degrees are also increasingly common (ANF, sub. 80; Victorian Association of Maternal and CFHNs, sub. 15).

While these courses generally equip CFHNs with appropriate skills and knowledge, there is considerable variation in course length, names of courses, mode of delivery, entry requirements and theoretical and clinical practice requirements (Kruske and Barclay 2006). There are also concerns that the number of clinical placements in child health nursing is inadequate (NHWT 2009). The Australian College of Children's and Young People's Nurses reported that some courses have only 15 hours of clinical placement (sub. 45). This could affect the quality of graduates from child health nursing courses.

Limited clinical contact hours within the maternal and child health sector whilst undertaking the postgraduate course often does not enable confidence for autonomous practice on completion of the course and entry to the field. (ANF, sub. 80, p. 12)

To the extent that CFHNs work autonomously, clinical contact hours are especially valuable — it is difficult for graduates in any profession to be able to work autonomously from day one, particularly in isolation from peers. Therefore clinical practice will continue to be important in course structure and design for CFHNs.

Although these concerns have been raised, study participants did not express concern about graduate quality. Indeed, in Victoria, more than three quarters of graduates of maternal and child health nursing courses apply for, and gain, employment as a CFHN (Victorian Association of Maternal and CFHNs, sub. 15). This suggests that Victorian child health graduates have appropriate skills (though they may differ from graduates in other states due to the requirement for Victorian CFHNs to also be qualified midwives — see below).

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## *Scholarships for postgraduate study*

### *Initial considerations*

In Victoria, a number of scholarships are available for nurses undertaking postgraduate training in child health. The Department of Education and Early Childhood Development offers 15 such scholarships per year, valued at \$3500 each (MAV 2010). Some local governments also offer scholarships of various sizes for postgraduate study in child health.

Several study participants considered these scholarship programs to have been effective in addressing localised workforce shortages, including in rural areas (ANF, sub. 80). While they have helped to attract more CFHNs to some regional areas (City of Greater Geelong, sub. 20), they have not been effective in all rural areas, and have been ineffective in Northwest Tasmania (Tasmanian College of Child and Family Health Nurses, sub. DR149). To the extent that scholarships attract nurses to areas of unmet demand, they are beneficial. However, data are not available to confirm that scholarships have encouraged additional nurses to obtain qualifications in child health or to move to areas of unmet need, and evidence is yet to be gathered to show if scholarships encourage the retention of CFHNs in underserved areas. As a result, the provision of scholarships should to be approached with caution.

### *Responses to the draft report*

In its draft report, the Commission recommended that the cost effectiveness of scholarships be reviewed by governments before the expansion of any scholarship program.

The Commission received over 170 submissions that, among other concerns, expressed objections to limitations on scholarship funding. Those who had received scholarships generally conveyed that the financial assistance helped them through their child health studies, and several participants stated that they would not have been able to undertake study without a scholarship.

While the Commission recognises that financial difficulties can influence decisions to obtain qualifications, this alone does not justify government expenditure on scholarship programs. First, the provision of a scholarship does not necessarily result in an additional person attaining the desired qualification. For example, a scholarship recipient may have already decided to undertake study before applying for the scholarship, and so the award of this scholarship has no impact on the number of people entering the workforce. Second, even if the scholarship does

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encourage an individual to undertake study where they otherwise would not have done so, the more highly qualified worker may not necessarily be needed to meet workforce requirements.

To a policy maker, the value of scholarships lie in their ability to either encourage academic excellence, or change participation decisions (that is, to change a person's decision from 'don't study' to 'study'). Child-health related scholarships are generally aimed at achieving the latter. When choosing whether or not to engage in study, a person with an interest in child health will consider several factors affected by that choice — some positive, such as additional future wages that come with higher qualifications, and some negative, such as the required time and money costs. They will weigh up these factors and make a decision accordingly.

While the provision of scholarships reduces the negative factors associated with study, it is likely that — in the absence of scholarships — the negative factors are still outweighed by positive ones for many individuals, and hence they would still choose to undertake study even when they would otherwise have received a scholarship. This was evident in submissions that underlined the enthusiasm of students of child health.

... you will never have a problem in finding people to do the courses to [obtain additional qualifications]. So many people are passionate about it and all are willing to put in the hard work to get there! (Andrea Furness, sub. DR107, p. 1)

The [Maternal and Child Health] program has never been short of students. We always attract a large cohort of students wanting to join the program ... (Associate Professor Lina Shahwan-Akl, sub. DR121, p. 2)

The demand for Child, Family and Community (CFC) Nursing courses at La Trobe University remains strong and the number of applications is increasing. In the past two years applications for the CFC courses have been higher than for any other postgraduate nursing or midwifery course at La Trobe University. (La Trobe University, sub. DR171, p. 4)

Even when considering that the decisions of some individuals may be swayed by the provision of a scholarship, it might not be beneficial to subsidise these individuals to undertake child health studies. At least one local council in Victoria is now in the 'position of having MCH students graduating with no permanent positions to offer' (Helen Watson, sub. DR139, p. 3). This supports the Commission's finding that, in comparison to other areas of nursing, child health is an attractive specialisation. Therefore, the provision of child health scholarships on a state- or territory-wide basis may be inefficient.

In keeping with the policy goal of increasing the supply of CFHNs in underserved areas, the Commission considers that scholarships and other incentives should only

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be targeted to nurses who would not otherwise have chosen to practice in demonstrated areas of workforce shortage. Prior to the provision of scholarship programs, such as that advocated by the Australian Nursing Federation (sub. 80), clear evidence should be obtained to show that scholarship programs are a cost-effective way of attracting additional nurses to areas of need. Initiatives that promote the retention of existing CFHNs in hard-to-staff areas, such as preceptorships<sup>2</sup> and professional support programs, also merit consideration.

RECOMMENDATION 12.2

***Incentives to attract nurses to study child health, and to retain child and family health nurses in underserved locations, should be tested for their cost effectiveness. Scholarships for postgraduate study in child health nursing should only be provided where they are targeted at nurses who would not otherwise have chosen to practice in demonstrated areas of workforce shortage. Alternatives, such as increased funding for professional support programs, should also be considered.***

In responses to this recommendation, there was some confusion about its scope. It should be noted that the Commission is not recommending the removal of Commonwealth-supported places for child health courses. In fact, it is anticipated that with the move to a demand-driven model of higher education funding support for postgraduate studies such as in child health will be easier to access. Chapter 10 discusses these higher education reforms in greater detail.

***Jurisdictional variation in qualifications required of child and family health nurses***

Qualification requirements for CFHNs vary between jurisdictions. For example, while New South Wales considers postgraduate qualifications to be ideal, they ‘are not mandatory and can be gained after entering the area of practice’ (NSW Government, sub. 79, p. 8). New South Wales therefore employs generalist nurses in child health roles (NSW Department of Health 2009). Other jurisdictions prefer CFHNs to hold a graduate diploma or masters degree in child health, rather than a graduate certificate, but will relax this requirement in certain circumstances.

These differences mean that some nurses with qualifications in child health are not considered to be employable in child health roles in some jurisdictions, which can create a barrier to movement of CFHNs between jurisdictions. In jurisdictions that require or prefer nurses to have a postgraduate qualification in child health, these

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<sup>2</sup> A preceptor is ‘an experienced practitioner who teaches, instructs, supervises and serves as a role model for student or graduate nurses, for a set period of time, in a formalised programme’ (Usher et al. 1999, p. 507 quoted in Mills, Francis and Bonner 2005).

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barriers can be overcome by nurses who are willing to undertake a relatively short period of additional study (for example, a graduate certificate generally takes six months to complete). The requirement for CFHNs to also be midwives is more problematic.

### *Requirement for child and family health nurses to also be midwives*

#### *Initial considerations*

In Victoria, maternal and child health services are required to employ registered nurses with qualifications in midwifery, in addition to child health qualifications (DEECD and MAV 2009b). Victorian universities offering postgraduate courses in child health nursing have therefore required nurses to hold midwifery qualifications prior to commencing studies in child health nursing.

Some study participants supported the midwifery requirements, considering that:

For maternal and child health nurses to competently provide the care required for families and children today, they require the current level of education, experience and expertise in this specialised field. (Victorian Association of Maternal and Child Health Nurses, sub. 15, p. 3)

Others considered that more emphasis should be placed on ensuring that new mothers receive certain types of support commonly provided by midwives, such as breastfeeding support and advice on maternal nutrition (Diana Aspinall, sub. 33). Other potential rationales for requiring CFHNs to hold qualifications in midwifery are that:

- CFHNs sometimes visit families within a few days of the birth of a child (ANF, sub. 80)
- midwifery qualifications can increase families' confidence in child health services, which can in turn increase service usage rates.

However, there are a number of important disadvantages of requiring CFHNs to have qualifications in midwifery. First, the time and cost of obtaining qualifications in midwifery, in addition to other qualifications, 'creates an additional hurdle to workforce recruitment' (AAMCFHN, sub. DR151, p. 3). These considerable costs, which include foregone income and course fees, could reduce the number of potential entrants to the field, contributing to workforce shortages in some areas (Centre for Community Child Health, sub. 81; City of Greater Geelong, sub. 20). Also, this requirement may draw existing midwives into child health, and thus contribute to workforce shortages in the maternity services sector.

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Second, workers with additional qualifications require ongoing recompense for those qualifications in the form of higher wages, as can be seen in the relatively high wages paid to CFHNs in Victoria (table 12.2). All other things equal, this can restrict the number of nurses that can be employed and the number of child health visits that can be provided for a given level of funding. Moreland City Council acknowledged that ‘requiring midwifery makes recruitment difficult and the costs of employing higher’ (sub. DR154, p. 4).

Third, as discussed above, these requirements restrict movement of nurses between jurisdictions (ACCYPN, sub. 45). The Australian Association of Maternal, Child and Family Health Nurses also expressed concern about barriers to interstate movement, suggesting that:

... the level of qualification should be uniform across States and Territories to facilitate movement between jurisdictions ... it becomes an issue if nurses’ qualifications are not transferrable, so that they may be refused employment in one jurisdiction but accepted in another to do the same work. (sub. DR151, p. 3)

Not only does the requirement for CFHNs to also be midwives restrict movement within Australia, but experienced CFHNs from other countries may be discouraged from joining the Australian workforce if they are required to do additional study (Elizabeth Fraser Palk, sub. DR187).

Fourth, while the costs of the additional qualification requirements are considerable, the benefits are both diffuse and uncertain. While the Commission was told, mainly by Victorian nurses, that Victorian children have better health outcomes than their counterparts in other states as a result of being seen by more highly qualified CFHNs, it received little objective evidence to support this claim. Several study participants offered Victorian service attendance rates as evidence of the benefits of midwifery qualifications. While important, these data are not sufficient to show that the benefits of a particular level of service provision outweigh its costs. The Municipal Association of Victoria considered that:

The lack of evidence ... does not provide for sufficient rationale for removing the requirement ... Rather it highlights the need for greater investment in quality research on the impacts of child health services to inform future policy. (sub. DR156, p. 9)

The Commission agrees that more evidence will help guide policy and funding in a more efficient way. However, significant costs — such as those that clearly arise from the imposition of a midwifery requirement on CFHNs — should not be imposed on the community without clear evidence of benefits that exceed those costs.

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### *Responses to the draft report*

In the draft report, the Commission recommended that jurisdictions should not require CFHNs to hold midwifery qualifications. The Commission received numerous responses from Victorian participants opposing this recommendation. Many study participants suggested that Victorian maternal and child health services are fundamentally different from those in other jurisdictions, with CFHNs regularly drawing on knowledge gained from midwifery qualifications.

[The issue of midwifery qualifications] is complex due to the variation in models of care across jurisdictions. [In Victoria, there is] an initial home visit occurring within days of the birth, followed by regular scheduled consultations ... It is for this reason that midwifery is an essential qualification for these [Maternal and Child Health] nurses. [In other jurisdictions,] this may not occur until the baby is six or more weeks old. Midwifery qualifications, while advantageous, may not be as critical in this model of care. (ANF, sub. DR165, p. 2)

Another common theme was that as postnatal hospital stays become shorter, in-home care for mothers becomes more important. Input was also received by some Victorian mothers, who conveyed a high degree of satisfaction with Victorian services.

The Commission acknowledges that Victorian child health services have a different focus than services in other jurisdictions. The title ‘*maternal* and child health nurse’ highlights the fact that — as well as attending to the health of the child — Victorian CFHNs have a significant additional focus on maternal health. This approach is documented in the Maternal and Child Health Service Program Standards (DEECD and MAV 2009b).

While maternal health issues are outside the scope of this report, the Commission considers that if CFHNs are also expected to provide maternal health care, they should be qualified to fulfil this role. Midwifery courses include units covering antenatal and postnatal care as well as the birthing process. For maternal and child health nurses, it is primarily the knowledge of postnatal care which is relevant to their responsibilities. Knowledge of antenatal care and the birthing process provide context, but have less direct relevance to the role.

Some study participants noted that CFHNs sometimes offer antenatal advice during health visits to mothers who are coincidentally pregnant with another child (for example, Bronwyn Dajczer, sub. DR132; Elizabeth Ferguson, sub. DR131; Nicole Youl, sub. DR141). However, CFHNs are not the main providers of antenatal care — this role is fulfilled by obstetricians, hospital midwives or general practitioners. While CFHNs may identify and address gaps in the maternity care system, these

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gaps are best addressed directly, as attempts to do so through the child health system are likely to be inefficient.

So although qualifications are necessary to enable CFHNs to provide some care to mothers, the imposition of an entire midwifery qualification may be excessive. The City of Casey concurred, offering that ‘postgraduate level maternal and child health study could include any relevant midwifery units’ (sub. DR172, p. 4).

I believe [a short obstetrics course undertaken in the UK] fully prepared me for entry to study health visiting ... It was a great disappointment to me to find that I was unable to practice in the same profession in Victoria without undergoing a full twelve month midwifery education. During the twelve month post graduate diploma I can honestly state that the only new skills and competencies I developed were in the area of birth. (Elizabeth Fraser Palk, sub. DR187, pp. 5–6)

However, in the absence of a shorter qualification focusing on postnatal care, the Commission accepts that midwifery qualifications may be appropriate to address postnatal maternal health issues which may be encountered in health visits. Also, since Victoria does not suffer from a systemic shortage of CFHNs, some of the potential costs of imposing this barrier to becoming a CFHN are not realised. Given the reservations it has about the net benefits of the qualification requirement however, the Commission considers that the midwifery qualification requirements should not be extended to other jurisdictions.

Midwifery qualification requirements were in place in jurisdictions other than Victoria, however they have since been removed (Victorian Association of Maternal and Child Health Nurses, sub. DR152). The Commission received no input from study participants identifying a reduction in service quality in these jurisdictions as a result of this removal.

#### RECOMMENDATION 12.3

***In order to reduce unnecessary costs and obstacles to attracting new child and family health nurses, state and territory governments should not require child and family health nurses to have qualifications in midwifery in addition to their qualifications in nursing and in child health, where such a requirement does not already exist.***

## Planning and supporting the child health workforce of the future

### *Age of the workforce*

Several study participants (for instance, NSW Government, sub. 79; Victorian Association of Maternal and Child Health Nurses, sub. 15) expressed concern about

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the age of the CFHN workforce — CFHNs are on average two years older than the nursing workforce as a whole (see table 12.1 above). However, given the additional training required of CFHNs, it is both reasonable and expected that CFHNs are older than the nursing workforce as a whole. The Australian Nursing Federation considered that ‘the higher than average age range for [child health] nurses is probably reflective of the work experience and educational preparation requirements for the role, as many nurses enter this field after considerable experience in other areas’ (sub. 80, p. 3). The Commission concurs, and does not have particular concerns about the age of the CFHN workforce.

While some concerns were raised about the ability of child health services to replace the ageing workforce (for instance, ACCYPN, sub. DR169), the relative attractiveness of child health specialty, evidenced by strong demand for postgraduate child health courses, suggests that workforce turnover should be manageable.

#### FINDING 12.1

*While child and family health nurses are, on average, older than other nurses, this reflects their higher level of qualifications and experience and does not appear to be a cause for concern.*

#### *Professional development and support*

All registered nurses, including CFHNs, must undertake 20 hours per year of continuing professional development (CPD) in order to maintain their professional registration (NMBA 2010). Nursing organisations considered it important that, in addition to professional development, CFHNs are able to access appropriate professional support (ACCYPN, sub. 45; ANF, sub. 80). This is particularly the case for nurses commencing practice in child health, because ‘it is professionally and personally difficult for nurses/midwives to enter the field without having a defined process of preceptorship with an experienced [child health] nurse’ (ANF, sub 80, p. 12). Formal support structures are also more important for professionals who work alone.

The Tasmanian population is small and dispersed so most [child and family health] nurses delivering universal services work alone or with other disciplines so often do not have the collegial support that nurses in hospitals experience. (Tasmanian Government, sub. 77, p. 10)

To counter this potential isolation, many employers of CFHNs provide preceptorships or formal mentoring programs (for example, Tasmanian Government, sub. 77). Some, such as the City of Stonnington in Melbourne, have

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formally undertaken to do so as part of enterprise agreements (ANF, sub. 80). In areas where such programs are in place, they appear to be addressing professional support needs.

In rural and remote areas, however, professional development programs are scarce (ACCYPN, sub. 45), and other means of providing professional support and networking opportunities may be required. In the Northern Territory, a recent study of the nursing and midwifery workforce suggested a potential approach.

Create an online ‘virtual community’ for past, present and future NT nurses which lets them interact with each other and so reduce the sense of isolation. (Garnett et al. 2008, p. 5)

In chapter 10, the Commission recommended the expansion of such ‘virtual communities’ for the early childhood teacher workforce. A similar approach for the CFHN workforce is also likely to prove beneficial. Where development of online communities for nurses is already underway, any such initiatives for CFHNs should form part of the broader system. This may require the purchase of new equipment as, in some jurisdictions, many CFHNs do not have access to adequate information technology (Western Australian Auditor General 2010).

While the level of professional support for CFHNs seems adequate in most situations, there may be scope to review the content of professional support programs. Most CFHNs will work with culturally and linguistically diverse families during their careers (NSW Child and Family Health State-wide Services Network, sub. DR148). Cultural and communication barriers may inhibit the ability of CFHNs to address the needs of these families. In addition to other measures such as access to interpreting services, it may therefore be appropriate to provide cultural awareness and sensitivity training to CFHNs.

### *Providing child health visits in remote areas*

Though children who live in remote and very remote communities are more likely to experience poor health and to be developmentally vulnerable (Centre for Community Child Health and Telethon Institute for Child Health Research 2009), many do not have access to child health services and do not receive child health visits. Study participants suggested that the remote health workforce faces many other competing demands.

The core business of health professionals in remote services is health and it is our experience that they are generally too overwhelmed by health needs of the full range of people in the community to focus specifically on early childhood. (RRACSSU Central, sub. 42, p. 3; Batchelor Institute, sub. 46, p. 3)

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Many nurses in remote areas also have little training or experience in child health. While acknowledging the pressure faced by health professionals in remote areas, the Commission considers that methods need to be found to ensure that children in remote areas receive child health visits, as they stand to derive the greatest benefit from preventive services.

In many remote areas, employment of a dedicated CFHN is unlikely to be possible or practical, and generalist roles with a child health component are unlikely to be attractive to many CFHNs (ACCYPN, sub. 45). Therefore — in the absence of a dedicated CFHN — child health services will need to be structured and staffed in different ways. In some areas, visiting CFHNs can deliver child health services. For instance, the Royal Flying Doctor Service has provided child health services in Queensland since the early 1990s (King et al. 2001). In other areas, the existing workforce — such as remote area nurses and AHWs — will need to be trained to provide child health checks. This training could be modelled on the Northern Territory ‘Healthy Under 5 Kids’ program (box 12.3). In Queensland, AHWs are able to undertake a Certificate IV in Maternal and Child Health qualification (ACCYPN, sub. DR169).

Many stakeholders reported that they were ‘extremely concerned’ (CHoRUS, sub. DR159, p. 7) that replacing CFHNs with less qualified workers would undermine the effectiveness of child health services. The Commission reiterates that — while having a CFHN deliver health visits is preferable — the employment of lesser qualified workers to fulfil this role may be optimal in situations where a qualified CFHN cannot be supplied. This approach was supported by La Trobe University, which considered that:

Until sufficient numbers of qualified child and family health nurses are available, the recommendation to educate remote area nurses and Aboriginal health workers in child health checks should be supported. (sub. DR171, p. 5)

#### RECOMMENDATION 12.4

***Governments should provide access to child and family health nurses in as wide a range of locations as possible. In areas where this is not possible, other health professionals, such as remote area nurses and Aboriginal and Torres Strait Islander health workers, should receive training in child health.***

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**Box 12.3    Healthy Under 5 Kids Education Package**

The Healthy Under 5 Kids Education Package is a stand-alone, self-directed education package for remote-area practitioners who do not have a background in child health. It is designed to support them in the delivery of preventive child health care, including age-specific child health checks, growth assessments and vaccinations.

The package takes 20 hours to complete. This study time is generally spread over approximately 12 weeks. Since its launch in August 2010, 120 workers, including remote area nurses, Aboriginal and Torres Strait Islander health workers and other staff in remote areas, have enrolled in the package.

Nurses are able to obtain continuing professional development (CPD) points for completion of the training package. Completion (with additional assessment) can be counted towards a Graduate Diploma in Child and Family Health at Charles Darwin University.

*Sources:* Northern Territory Government (nd); Northern Territory Department of Health, sub. DR365.

Despite the likely benefit of the child health training recommended by the Commission, attempts to make it compulsory before nurses or AHWs take up posts in remote areas should be avoided, as such requirements are likely to reduce the available workforce in those areas. Moreover, training packages can be designed for remote delivery, and thus can be undertaken by health professionals who are already working in remote areas.

Chapter 9 considers rural and remote issues for the early childhood education and care workforce. Many of the recommendations in chapter 9, including those relating to housing, professional development and support, will also be relevant to health workers. For instance, health professionals providing child health services in remote areas should have access to housing and to relevant technology for training and development purposes.



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## 13 Workforce for family support services

### Key points

- All levels of government fund a large number of family support programs. Though differing in structure and methods, these programs are guided by COAG's National Early Childhood Development Strategy and share the common goal of improving families' capacity to care for their children.
- The workers who deliver family support services are drawn from the early childhood education and care, nursing, allied health and community services workforces with most workers' knowledge about family support practice coming from their initial training. Volunteers and peer mentors also play a significant role in some programs.
- Although recent improvements are promising, there are still few data available on the family support workforce. This reduces governments' ability to effectively plan and deliver family support services.
- The demand for workers to provide family support services is primarily driven by government funding and policy priorities, with individual recruitment decisions largely made by non-government organisations. Thus there is considerable variation in demand for different types of workers across and within jurisdictions.
- The supply of workers for family support programs is highly dependent on the employment opportunities available to those workers in their primary area of expertise (for example, opportunities for social workers to work in community services). Due to different award structures and insecure program funding, employment in family support programs is often the less attractive option. Services that provide family support therefore require increased funding for longer periods, so that they can plan their workforce with confidence, invest in training, pay market wages (including relevant future award increases) and attract and retain staff.
- Preceding chapters have shown that demand for most ECD workers is likely to exceed supply in the short term. As workers in family support programs are largely drawn from the same pool of workers, demand for workers in family support programs is also expected to exceed supply under current policy settings.
- There is limited high-quality evidence about the effectiveness of many family support programs, and directing more resources towards evaluations would have benefits in the long term. There may be potential for the provision of additional family support services through the use of volunteers.

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Family environment plays a crucial role in the cognitive, social and emotional development of young children. Indeed, in its systematic review of parenting programs for parents of young children, the Cochrane Collaboration found that:

There is an increasing body of research indicating that the quality of the parent–infant relationship in particular creates the conditions for establishing healthy patterns of functioning in childhood and adulthood. ... insecure attachment prior to age 2 is related to a range of poor outcomes including conduct problems, low sociability, poor peer relations, symptoms of anger, and poor behavioural self-control during the preschool years and to adolescent anxiety, dissociation, drug use, and delinquency ... This may indicate a role for early interventions designed to improve parent–infant interaction in particular, and parenting practices more generally. (Barlow and Parsons 2007, pp. 2–3)

The role of family support as part of broader early childhood development (ECD) programs is further considered in appendix F. In light of this demonstrated need, a range of family support services have been established, some of which provide assistance with housing, employment, financial management and parental relationships. While acknowledging the important role of such services, the Commission has limited its focus on family support services to those that aim to improve the capacity of families to care for their children. This focus aligns with the definition of family support services used by the Australian Institute of Health and Welfare (AIHW 2001).

## **13.1 The workforce for family support services**

### **Family support services are diverse and fragmented**

Governments in Australia have an ongoing commitment to fund a wide range of family support programs and services (COAG 2009c), many of which are delivered by non-government organisations (NGOs). Each State and Territory funds, and in some cases directly provides, a range of family support services. For instance, 25 family support projects funded or provided by State and Territory Governments were identified by the Australian Health Ministers' Conference and Community & Disability Services Ministers' Conference (AHMC and CDSMC 2006). Similarly, the Australian Government will fund 160 projects through its Family Support Program in 2010-11 (FaHCSIA 2010b).

The large number of different family support and parenting programs leads to diversity in their messages, with a review conducted for the Ministerial Council for Education, Early Childhood Development and Youth Affairs identifying 126 parenting initiatives with 98 separate key messages (MCEECDYA 2010a). The diversity of family support services can also be seen in the wide range of programs and services considered to be 'promising' by the Australian Institute of Family

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Studies (AIFS 2011b). The ‘promising practices’ range from literacy programs, parenting education and home visits, to music therapy, supported playgroups and circus workshops (box 13.1). Other promising programs, such as the Brighter Futures program in New South Wales, involve assisting vulnerable families to access mainstream early childhood education and care (ECEC) services (Benevolent Society, sub. 49; NSW Government, sub. 79; UnitingCare Children, Young People and Families, sub. 62).

#### **Box 13.1 Examples of the diversity of family support programs**

##### **Sing and Grow**

Sing and Grow is a music therapy project that provides group programs in the community for mums, dads and carers with young children. We usually meet once a week for about an hour, for 10 weeks. We use percussion instruments, drums, ribbons, balls and parachutes, along with singing known and new songs, to increase positive interactions between parents and their children, enhance child development, build social support networks and increase parents’ confidence to use music as play at home. (Playgroup Queensland 2011)

##### **Home Interaction Program for Parents and Youngsters (HIPPY)**

HIPPY is a 2-year, home-based, early childhood enrichment program for preschool children that targets communities [that] have experienced various forms of social disadvantage. It provides intensive education and support to parents with children up to 5 years of age, using tutors that work with both parents and children within their homes. The tutors are chosen from participating families in the program and hence provide peer support. The program enables parents to spend more time with their children in activities that enhance cognitive development, social/emotional development, stimulate positive parent/child interactions, and empower parents to view themselves as primary educators of their children. (AIFS 2011a)

##### **Brimbank Children’s Circus Project**

The Brimbank Children’s Circus Project provides a rich environment where children aged 3–5 years are immersed in physical play, oral language, visual stimulation and interaction with a key adult in their lives. The combination of circus activities, a strong literacy and numeracy concept and a community learning approach, enables children and their families to experience literacy through a positive and universal approach and responds to the National Strategy for Literacy and Learning in a new and exciting way. (Westside Circus 2011)

##### **Psycho-Educational Program for Parents**

The Psycho-Educational Program for Parents program is an innovative mental health promotion intervention for universal application in primary care with fathers, mothers and their first newborns. It addresses two under-recognised risk factors for postnatal psychological disturbance: quality of relationship with partner; and management of infant crying, sleep and settling. The 2-session program [is] conducted in half-day seminars by maternal and child health nurses. (AIFS 2011d)

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Family support services are delivered in a variety of ways. In addition to face-to-face services, parenting helplines in each jurisdiction allow parents to access support over the phone (Kids Helpline nd). In some jurisdictions, mobile family support services are provided to families who are isolated by geographic, social, cultural or economic factors (Mobile Children's Services Association of NSW, sub. 38).

As well as differing in their methods, family support services differ in the specific focus of their efforts. While services generally aim to enhance child development and to improve child and family outcomes, other common objectives include:

- preventing child abuse and maltreatment
- preventing delinquency and crime in future years
- enhancing family relationships
- fostering community development and integration
- assisting culturally and linguistically diverse (CALD) families and families of children with disabilities with their specific needs.

Most family support programs aim to achieve several of these objectives, with many specifically targeting disadvantaged or vulnerable families. Despite this focus, families of young children from low socioeconomic backgrounds are much less likely than those from a higher socioeconomic background to have used community support services for their children (Blakemore, cited in McCarthur et al. 2010).

### **A wide range of workers deliver family support programs**

The diversity of family support services means that a wide range of workers are involved in their provision. They include:

- child health nurses
- preschool teachers and other ECEC workers
- social workers, family support workers and other welfare professionals
- psychologists and other allied health professionals
- other professionals, such as counsellors, music therapists and social scientists
- volunteers, including neighbours and peers.

Many programs are delivered by a combination of different professions and workers. For instance, the Intensive Family Support Program in NSW is delivered and managed by workers with a degree in either social work or psychology (NSW

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Human Services 2010). Other programs are delivered in a multidisciplinary fashion, or place an emphasis on training workers in the unique methods of a particular program, regardless of the workers' professional backgrounds (for example, the Positive Parenting Program known as Triple P). Some family support programs, such as South Australia's Learning Together @ Home program, are delivered by unqualified workers (Government of South Australia, sub. 66).

NIFTeY NSW considered the presence of a wide variety of skills in the family support workforce to be beneficial, because different workers can help to support different domains of a child's development (sub. 36). Similarly, the Benevolent Society considered that:

It is important to acknowledge that no one profession can adequately address all the needs of a child and their family nor can one ECD worker provide a full suite of services to the child's family. A comprehensive program requires a diverse and experienced team of professionals including psychologists, social workers, early educators, child and family health nurses, infant mental health specialists, speech and occupational therapists. (Benevolent Society, sub. 49, p. 23)

This diversity adds considerably to the difficulty of defining and analysing the workforce for family support services. However, although the evidence base on family support programs is limited, it suggests that the diverse and flexible service delivery model, common to many Australian programs, is associated with improved outcomes (box 13.2).

## **Characteristics of the workforce for family support services**

Few datasets provide information about the workers who deliver family support programs. Though most family support programs employ health and community services staff, data on the health and community services workforces, such as that reported by the AIHW, do not permit workers in family support services to be separately identified (AIHW 2009b). So while the number of social workers or psychologists is known, it is not possible ascertain how many of these professionals work in family support services.

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### **Box 13.2    The evidence base for family support programs**

The effectiveness of several family support programs, including the Positive Parenting Program (known as Triple P) (Markie-Dadds and Sanders 2006) and the Nurse Home Visiting Program (Olds et al. 2007), has been demonstrated in high-quality studies (see box 12.2).

However, international experience suggests that most family support and parent education programs have shown only modest impacts or have been effective for some at-risk populations but not others (Bruner 2004; Layzer et al. 2001). Moreover, very little is known about the ‘active ingredients’ of effective programs (Barrett 2010), making them difficult to replicate elsewhere. In Australia, there is also little evidence about the applicability and effectiveness of different family support programs (Wise et al. 2005).

However, despite the relative lack of evidence, the literature suggests that:

The most successful parent education programs contained targeted recruitment [of families]; a structured and lengthy program; a combination of interventions/strategies; and a strengths-based approach. The most successful home-visiting programs were delivered by highly trained professionals (for example, nurses); contained targeted recruitment strategies; program goals that matched client needs; and were designed to improve both maternal and child wellbeing. (Holzer et al. 2006, p. 21)

Other broad areas of consensus indicate that:

- relationships between workers and families are more important than program structure or curriculums, with high rates of staff turnover having a negative impact on relationships and program effectiveness
- different programs work in different contexts, with the most effective services targeting the ‘right’ intervention to the ‘right’ audience.

### *Survey of the community services sector — general community services*

A survey of the community services sector (SCS), recently published by the National Institute of Labour Studies (Martin and Healy 2010), provides the best available picture of employment in family support services (box 13.3).

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### Box 13.3    **The survey of community services (SCS)**

The statistics on the family support workforce cited in this chapter are from a recently published survey of community services (SCS) by the National Institute of Labour Studies (Martin and Healy 2010). The SCS provides detailed and previously unavailable data on workers in the general community services sector (defined as those who deliver social support and assistance to families). The SCS therefore provides the best available data on workers delivering family support programs.

The SCS is based on a sample of 356 service providers and 1275 workers. It disaggregates workers into the following categories.

- *Non-professionals*: Family, youth or child support workers; carers in homes and refuges; customer service and referral workers.
- *Professionals*: Allied health workers; social workers; case managers.
- *Managers and Administrators*: Service and program administrators; managers and coordinators.

Like all surveys, the SCS can be affected by sampling and non-sampling errors, which should be borne in mind when interpreting the statistics in this chapter. The survey sampled around 740 of about 4000 general community services outlets, and achieved a response rate of 48 per cent (356 providers) — a high response rate compared to most surveys. That said, there is some risk of non-response error because the number of employees may influence the probability of responding to the survey (that is, larger organisations may have administrative staff better able to respond to survey questions). In addition, there is no clearly accepted listing of general community services or family support providers. That could bias results if the number of employees in an agency influences the probability of that agency being discovered for inclusion in the sample frame (that is, it may be easier to find large, well-known organisations than small ones). However, Martin and Healy (2010) used a thorough search method to construct the sample frame, so this risk is probably low.

Overall, the SCS yields the best available evidence describing the general community services workforce and, by inference, the family support services workforce. However, as is the case with all surveys, data about aggregates such as the total number of workers in the industry will be less reliable than data describing the characteristics of workers.

*Sources:* Martin and Healy (2010); PC (2011b).

The SCS defines general community services to include social support and assistance services provided directly to children and families, with the exception of child protection, juvenile justice, disability services and services directed specifically at the aged, at providing housing or supported accommodation, and crisis services (Martin and Healy 2010). This definition of general community services appears similar to, although slightly broader than, the Commission's definition of family support services (in that it includes services that do not directly

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aim to improve families' capacity to care for children, such as counselling or advice on matters unrelated to parenting). The SCS data on the general community services workforce therefore include the family support services workforce, and provide the best available information on this workforce.

Around 32 200 people were employed in Australia to provide general community services in 2009, of whom 23 900 worked in direct contact roles. When part-time employment is taken into account, this workforce was equivalent to about 18 100 full-time workers (12 300 of whom are direct providers). Of these workers:

- 35 per cent were non-professional workers, 33 per cent were professional staff and 21 per cent were managers and coordinators (in equivalent full-time terms)
- 83 per cent were women
- 42 per cent were employed on a permanent full-time basis, and 39 per cent were employed on a permanent part-time basis
- three quarters of professionals and 53 per cent of managers/administrators held at least a bachelor degree, while nearly 80 per cent of non-professionals had at least a certificate III qualification. Qualifications were generally in areas such as social work, psychology or counselling, youth work, and community work
- 85 per cent worked for not-for-profit service providers, with government employing the remainder
- 68 per cent expected to still to be working in general community services three years after they were surveyed.

There was considerable variation in the age of the general community services workforce, although mature aged workers predominated. Fifteen per cent were under 30 and 62 per cent were 40 years or over (compared to 29 per cent and 49 per cent of the Australian female workforce respectively).

Study participants confirmed some of these findings, including that the family support workforce is predominantly female and includes a high proportion of part-time workers (Benevolent Society, sub. 49; Playgroup Queensland, sub. 9).

While the SCS data are a welcome addition to the knowledge base on the family support workforce, it is somewhat surprising that these data have not been systematically collected and published by funders of family support programs, to inform their consideration of future program requirements. New South Wales has made progress in this regard, sponsoring a 'profile' of non-government community service organisations which includes consideration of workforce characteristics (Hilferty et al. 2010). Despite positive developments such as this, the scarcity of workforce data has carried through to evaluations of family support programs,

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which have typically focused on workers' personal qualities and attributes and their contribution to program effectiveness. Comparatively little attention has been given to the demographic characteristics, professional background or employment status of workers in those programs, limiting the workforce lessons from previous investments in family support programs.

## **13.2 Demand for workers to provide family support services**

### **Governments and NGOs determine demand for workers in family support services**

#### *Demand for workers with qualifications and skills*

The number and types of workers employed in family support programs is, to a large extent, determined by government funding priorities. The decision to fund or not to fund certain types of programs will affect demand for workers with the skills to deliver those programs. For instance, the establishment of the Australian Nurse–Family Partnership Program (ANFPP) has led to a large increase in demand for nurses with experience in child health and the ability to work in partnership with Indigenous families (see chapter 12 for more information on the ANFPP).

Decisions about recruitment of individual workers are largely made by NGOs. However, NGOs' discretion in staffing and recruitment can be limited, as governments are increasingly specifying inputs as well as outputs of family support programs. In other words, 'the qualifications and skills required of family support staff are determined by the model that the NGOs are contracted to deliver' (UnitingCare Children, Young People and Families, sub. 62, p. 14).

The demand for workers in family support services varies geographically, even between suburbs of major cities. This is driven by demographic factors such as the differing socioeconomic and cultural characteristics of these areas. The particular skills required of staff also vary, depending on factors such as the concentration of families from CALD backgrounds within a particular area (City of Salisbury, sub. DR178).

In rural and remote areas, many services are required to work in an integrated and flexible manner. For instance, mobile services are called on to support both children and parents on developmental issues, and so may need cross-disciplinary staff with skills in both early childhood development and family support (Mobile Children's Services Association of NSW, sub. 38). The demand for workers with

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cross-disciplinary skills may therefore be higher in rural and remote areas, which may in turn be one reason why providers of family support services reported difficulty in attracting staff to rural areas (Benevolent Society, sub. 49; Early Childhood Intervention Australia (NSW Chapter), sub. 25; Northcott Disability Services, sub. 18).

However, regardless of location, staff in family support services need a wide range of skills.

As our work becomes increasingly complex, staff need to have a breadth of skills and experience and it is often difficult to find and attract appropriately qualified and experienced people. ... Occupations that were particularly difficult to recruit for were case managers and psychologists. (Benevolent Society, sub. 49, p. 14)

### *Demand for workers with personal qualities and connections*

Evaluations of family support programs suggest that workers' personal qualities may be at least as important as their formal qualifications. The ability to listen, empathise and work with a non-judgemental attitude have been shown to be essential characteristics (Muir et al. 2009). Staff who lack relevant personal attributes are unlikely to be able to effectively support families. For instance, some of the qualified family support staff employed by the 'Pathways to Prevention' project in Brisbane were rejected by communities because they were considered to be too young or were not parents themselves (Homel et al. 2006).

Programs for Indigenous and CALD families also require workers with specialist cultural skills, as 'connection with the community is an important element in the success of these [family support] roles, especially for Aboriginal and Torres Strait Islander and CALD communities' (SDN Children's Services, sub. 31, p. 3).

Given the importance of personal qualities and cultural understanding, there appears to be potential for greater involvement in family support programs of peers and volunteers, who are likely to have the required qualities and skills. This is discussed in further detail below.

### **Trends in demand for different types of family support workers**

Some study participants submitted that limitations on funding have restricted demand for family support staff in recent years (for instance, UnitingCare Children, Young People and Families, sub. 62). However, it is hard to be certain of overall funding trends because programs are funded for short periods and are renamed and changed on a regular basis.

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Making accurate predictions of future demand for different types of family support workers is made more difficult by the relatively sparse evidence base for the effectiveness of family support services (box 13.2 above). Strengthening the evidence base for different programs may shape future demand in unforeseen ways.

There are nevertheless some emerging trends in family support practice, although their effects on workforce demand are uncertain. For example, there has been increased emphasis on home visiting, with the creation of the ANFPP and the expansion of the Home Interaction Program for Parents and Youngsters (HIPPY) program (DEEWR ndc). While both ANFPP and HIPPY aim to use home visitors to improve child development, they rely on different types of workers. ANFPP will increase demand for child health nurses, while HIPPY uses trained visitors who are often past participants of the program (box 13.1 above).

There has also been a trend towards integration of children's services, including the provision of early learning, child care and parent and family support services to Indigenous families at integrated Children and Family Centres. The effects of service integration on workforce demand are considered in chapter 15.

### **13.3 Supply of workers to provide family support services**

The supply of workers for family support programs depends on opportunities for these workers in their area of expertise (generally in other parts of the ECEC, health or community services sectors), opportunities in family support and the relative attractiveness of employment in each setting. Government policy changes in other sectors can therefore have a substantial effect on the supply of staff for family support services.

#### **Remuneration**

##### *Level*

Several study participants considered that remuneration levels for workers in family support services are too low (Early Childhood Intervention Australia (NSW Chapter), sub. 25; Playgroup Queensland, sub. 9) or have not kept pace with wage growth in other sectors (Department for Communities (WA), sub. 59). Available evidence, while limited, goes some way towards confirming this, with employees in the family support sector receiving relatively low rates of pay compared to those in other sectors.

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- The SCS found that the mean hourly wage rate for workers in the general community services sector (which includes family support staff) was around 10 per cent lower than mean hourly earnings for all female employees (\$25.00 per hour compared to \$27.60 per hour) (Martin and Healy 2010).
  - At the wider community services level, the sector contributes 4.4 per cent of Australian employment, but 3.2 per cent of wages. After adjusting for the greater likelihood of people working part-time in the community services sector, the wage differential appears to be around 13 per cent (PC 2011b).
  - Comparing graduates employed under modern awards, a new graduate with a 4-year degree in a field relevant to family support (such as social work or psychology) earns \$755.00 per week if employed under the Health Professionals and Support Services Award 2010 or \$760.93 per week under the Social, Community, Home Care and Disability Services Industry Award 2010. A teaching graduate with a 4-year degree employed under the Educational Services (Teachers) Award 2010 earns around five per cent more, or \$796.44 per week.

In order to achieve an adequate supply of workers with appropriate skills, and compensate for stresses associated with their roles, services may need to offer higher wages. Family support roles tend to be more difficult or stressful than many other ECEC, community services and allied health roles, in that they require workers to apply their professional skills in demanding situations. For instance, running a supported playgroup may be harder than running a mainstream playgroup. For nurses, visiting families at risk is likely to be more difficult than conducting child health checks for healthy, well-cared-for children. In light of these differences, family support services may need to pay higher wages than other parts of the ECD and community services sectors in order to attract sufficiently skilled and capable workers.

### *Parity between government and not-for-profit sectors*

There is a considerable difference between the wages of family support staff employed by government and the wages of those employed by NGOs. Several study participants reported considerable difficulty in attracting staff to work for an NGO when they can receive higher salaries working for comparable government services (Early Childhood Intervention Australia (NSW Chapter), sub. 25; Northcott Disability Services, sub. 18; SDN Children's Services, sub. 31; UnitingCare Children, Young People and Families, sub. 62). The Benevolent Society considered that:

... there needs to be parity between the not-for-profit and government sectors. The disparity in pay and conditions between the not-for-profit sector, government and

business is a growing issue, especially as these sectors are increasingly competitive players in the delivery of human services. (sub. 49, p. 15)

SCS data confirm that government workers are more likely to earn higher wages than those doing similar jobs in the non-government sector (Martin and Healy 2010).

Most NGOs are only funded to pay award wages, limiting their ability to pay higher wages to attract staff. Nevertheless, around one quarter of community services organisations in NSW pay above-award wages (Hilferty et al. 2010). However, when this occurs, it can mean that NGOs are cross-subsidising programs (UnitingCare Children, Young People and Families, sub. 62). Their scope to do so over the longer term is likely to be limited.

The wage gaps between NGO and government employees do not take into account fringe benefit tax (FBT) concessions available to some not-for-profit organisations. However, the benefits of FBT concessions are often overestimated, especially for those on low salaries. Therefore, despite having the ability to ‘salary sacrifice’ to obtain FBT concessions, considerable pay gaps remain for many workers. For example, the pay gap for social workers in Western Australia working in equivalent government and NGO positions is between 15 and 27 per cent (table 13.1).

**Table 13.1 Annual wage gaps for social workers after salary sacrifice**  
Western Australia

<i>Public service levels</i>	<i>Public Service 2009 salaries</i>	<i>Equivalent Social and Community Services (SACS) Award levels</i>	<i>SACS Award 2009 salaries</i>	<i>SACS Award salaries with salary sacrificing</i>	<i>Dollar gap (after salary sacrifice)</i>	<i>Percentage gap (after salary sacrifice)</i>
	\$		\$	\$	\$	%
1 <sup>st</sup> year	51 601	4.2	39 151	43 381	7 700	15.1
2 <sup>nd</sup> year	54 319	4.3	40 241	45 160	9 159	16.9
3 <sup>rd</sup> year	57 334	4.4	42 402	47 791	9 543	16.6
4 <sup>th</sup> year	61 102	5.1	43 393	49 002	12 100	19.8
5 <sup>th</sup> year	66 943	5.2	44 484	50 332	16 611	24.8
6 <sup>th</sup> year	70 743	5.3	45 475	51 543	19 205	27.1

Source: WACOSS (2009).

Family support services are not the only services facing pay gaps between government and NGOs. Indeed, the Commission’s report on the not-for-profit sector found that similar issues are prevalent throughout the community services sector (PC 2010a). In that report, the Commission recommended that ‘governments purchasing community services need to base funding on relevant market wages of

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equivalent positions' (PC 2010a, p. 271). This consideration remains valid for the family support services workforce, and is supported by The Benevolent Society, which stated that:

[Workers in family support services] require considerable skills and expertise. It is imperative that salaries reflect the training and skills required in order to attract and retain people in the sector. (sub. DR161, p. 2)

#### RECOMMENDATION 13.1

***In order to ensure that family support services can sustain their workforces, and as wages are a major factor in the successful recruitment and retention of staff, government funding for family support programs should:***

- ***be based on relevant market wages and conditions for equivalent positions***
- ***take into account the skill sets required to perform the purchased services***
- ***be indexed appropriately to market wage growth within the relevant industry sector.***

The substantial wage gaps between NGO and government positions in the community services sector have begun to be recognised by Australian governments. For example, in May 2009, the Queensland Industrial Relations Commission awarded a pay rise of between 18 and 37 per cent to workers in the social and community service sector, bringing wages into line with those in the government community services sector.

However, this has not entirely removed pay differences in Queensland, because organisations funded by the Australian Government continue to employ staff under modern awards, which can contain considerably lower wages than corresponding state awards. For instance, salaries under the Social, Community, Home Care and Disability Services Industry Award 2010 could be as much as 33 per cent lower than those under the Queensland award by January 2012 (Playgroup Queensland, sub. 9). Such differences would continue to affect the family support workforce. However, in a national wage case for the social and community services (SACS) sector, Fair Work Australia is attempting 'to identify the extent to which gender has inhibited wages growth in the SACS industry and to mould a remedy which addresses that situation' (FWA 2011, p. 84). The possible need for future changes to funding to attract sufficient staff to family support services will depend to a large extent on the final outcome and effects of that case.

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## **Intrinsic motivation**

While remuneration is an important factor in determining the supply of workers to family support programs, nonpecuniary factors — such as intrinsic motivation and employment conditions — also impact on supply.

Intrinsic motivation, or the satisfaction a worker gains from an interest or enjoyment in performing their work, is a significant factor in the decision of an individual to choose employment in a family support service. Playgroup Queensland noted that:

Most staff work for the organisation because they are passionate about the grass roots impact that our universal and early intervention services have for families with young children. The staff are dedicated and passionate, and their enthusiasm is evident in their hard work in a sector that has a notorious reputation for low pay. (sub. 9, p. 5)

So while pay and conditions in the family support services workforce appear to be lacking, and may contribute to workforce supply difficulties, this could be partly offset by high levels of intrinsic motivation among workers in the sector — a factor which positively impacts on workforce supply.

## **Employment conditions**

Employment conditions offered by family support services are another factor that affects workforce supply. The attraction and retention of workers is diminished where negative conditions, such as stress and employment uncertainty, are more prevalent. Providers of family support services have a responsibility to offer appropriate employment conditions for their workers (COAG 2009c). However, current funding arrangements mean that many providers, particularly in the non-government sector, face considerable obstacles to offering attractive conditions to their workers.

### *Workplace conditions*

As well as receiving lower rates of pay, employment conditions for family support staff employed by NGOs generally compare unfavourably to conditions in the government sector (UnitingCare Children, Young People and Families, sub. 62). For instance, Playgroup Queensland commented on the inflexible work environments in some family support services (sub. 9). Employment also tends to be less secure in NGOs (see below).

Employment in family support services can also be relatively unattractive because supporting families can be difficult and stressful. For example, children's social workers report that their work entails a range of different relational and

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organisational stresses (Gupta and Blewett 2007) and Northcott Disability Services commented on the ‘stress and high workload in some early childhood development services’ (sub. 18, p. 4). Similarly, the emotional toll of working with Indigenous families in remote communities, where ‘staff are inevitably required to deal with traumatic events and traumatised people’ is a major cause of staff dissatisfaction and turnover (Scougall 2008, p. 75).

### *Duration of employment contracts*

Most family support programs receive government funding for a set period of time, typically one to three years. Funding is not guaranteed beyond the end of the funding cycle, and employers generally only employ staff for the duration of the funding agreement. The relatively insecure nature of employment opportunities in family support programs reduces the supply of workers for such programs. A number of study participants expressed concern about this issue (for instance, Benevolent Society, sub. 49; Gowrie SA, sub. 40), with some commenting in great detail.

Lack of job security is a significant issue impacting on staff recruitment and retention. Job security for family support workers is often limited due to the short term nature of many government funding contracts. (UnitingCare Children, Young People and Families, sub. 62, p. 17)

Currently in remote Indigenous communities in the NT a significant number of family support services are provided through NGOs like Save the Children, Red Cross, Smith Family, Fred Hollows Foundation, etc. This means that they are always writing grants, always assessing their financial capacity to provide services, always seeking staff when new funding arrives and losing them when funding decreases and are therefore regularly constrained in the delivery of these vital services by relatively short term funding cycles. (RRACSSU Central, sub. 42, p. 3; Batchelor Institute, sub. 46, p. 3)

In our experience, the often short-term nature of government funding can result in job insecurity and act as a barrier to recruitment and retention of staff ... Funding models should allow service providers to undertake long-term planning and provide the flexibility to tailor services to local needs. (Benevolent Society, sub. DR161, p. 2)

As seen in box 13.1, the success of family support programs depends on relationships between staff and families.

These services are based on relationships, not transactions or clinical interventions. For children and parents, certainty is based on trusting relationships and the experience of attachment. Multiple and compressed interventions provided by different services and workers, even those judged to be of high quality, do not meet children’s need for security based on trusting and continuing relationships. (Green and McClelland 2003, p. 78)

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Good relationships are more likely when staff turnover rates are low, because ‘... it takes time to build trust in communities and new or continual change undermines work already done’ (Tasmanian Ministerial Child Care Advisory Council, sub. 83, p. 27). This suggests that measures to reduce staff turnover are likely to increase program effectiveness. For example, in the Best Beginnings program in Western Australia, workforce changes were found to be problematic for service users. When staffing changes occurred, many parents chose to leave the program rather than establish a relationship with a new staff member, despite valuing the support provided by the original staff member (Clark 2009). Similar conclusions have been drawn for Indigenous families in Australia (Flaxman, Muir and Oprea 2009) and from the US experience.

Because the connection between home visitors and families is the route through which change is hypothesised to occur, turnover among home visitors may be a serious problem for programs. (Gomby, Culross and Behrman 1999, p. 18)

In addition, as noted by Dr Dianne Jackson, ‘families that are most vulnerable because of their circumstances are also most likely to be affected by workforce issues’ (sub. 6, p. 2).

Given participants’ concerns about the effect of funding uncertainty and short funding cycles on staff turnover, and the potential for turnover to adversely affect the most disadvantaged children and families, the Commission considers that increasing the certainty and duration of program funding should be explored and implemented wherever possible. Such an approach has been suggested by governments (AHMC and CDSMC 2006), parliamentary committees (for instance, Public Accounts and Estimates Committee 2002), evaluations of family support programs (for example, Muir et al. 2009) and by the Commission in its report on the not-for-profit sector (PC 2010a).

Increasing the certainty and duration of funding for family support programs should not be incompatible with competitive procurement principles nor with the requirement to ensure efficient expenditure of public money. Indeed, the necessity of improving the return on governments’ investment in family support programs would suggest that more funding certainty should be provided to many services.

Principally, funding certainty would involve governments making decisions about funding renewal for family support programs well before program funding is scheduled to end. However in some cases, funding would need to be provided for longer periods than is currently the case. For example, an evaluation of the Australian Government’s Communities for Children initiative found that ‘the four-year Communities for Children model does not allow sufficient time or resources to consult and engage with Indigenous communities, especially in rural

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and remote areas' (Flaxman, Muir and Oprea 2009, p. 8). This suggests that long-term, multi-year funding may be required in some circumstances. For example, 5-year funding agreements, in which the mix of services can be altered but the total level of funding is fixed, may be effective in some circumstances (PC 2010a).

RECOMMENDATION 13.2

*In order to facilitate better workforce planning by services and the attraction and retention of staff, governments should increase the certainty and duration of funding for family support programs wherever possible.*

## **13.4 Training and workforce planning for family support services**

### **Training and skills**

#### *Skills of new graduates*

There are few dedicated training pathways for workers in family support programs. Principal among them is the Certificate IV in Child, Youth and Family Intervention (Family Support) (although this certificate is also commonly obtained with specialisations in child protection or residential and out of home care, rather than in family support). However, there are a wide variety of courses in the community services training package that provide some preparation for workers in family support programs. These include certificates and diplomas in community work, children's services, youth work and other related fields.

Professional workers in family support programs gain most of their knowledge about family support practice from their initial university studies in other disciplines. It is therefore of some concern that several study participants considered that newly trained workers in many disciplines may not be equipped to work in family support services (Brotherhood of St Laurence, sub. 32; Gr8 START, sub. 54). In particular, participants expressed doubts about the ability of new graduates to work with families with multiple or complex needs.

To effectively support these families requires high level skills and expertise. Newly-qualified workers do not always have the necessary experience for some of our roles ... (Benevolent Society, sub. 49, p. 18)

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Graduates of different courses also differ considerably in their readiness to provide family support services.

... social workers generally graduate with little knowledge of child development, despite the fact that many will be employed in child and family contexts (Early Childhood Intervention Australia (NSW Chapter), sub. 25, p. 5)

... with Northcott's ECD family support services, there is a wide range of qualifications that we would accept as suitable for the role (Social Work, Welfare, Psychology, Social Science, Counselling, etc.), and the structures of these courses can be very different. Some qualifications may require 1000 hours of student field education practical experience, where others have no such requirements. Therefore two staff starting in the same role but with different educational backgrounds, might [have] a different level of skills and readiness to undertake the role effectively and without direct supervision. (Northcott Disability Services, sub. 18, pp. 4–5)

Deficiencies in ECEC-qualified workers' knowledge of child development were also considered to affect their ability to provide supported playgroups, early intervention and family support services (Connect Child and Family Services, sub. 6; Mission Australia, sub. 12) (see chapters 8 and 10).

To the extent that gaps in graduates' knowledge affect the quality of family support services, addressing these gaps may improve service quality. This could be achieved by encouraging students who may later work in family support services to study relevant subjects while at university. In some cases, universities could be more active in facilitating and promoting opportunities for students to take courses in different faculties and departments (for example, by encouraging social work students to study early childhood development subjects, and vice versa).

While encouraging and enabling potential family support workers to obtain a broad knowledge of relevant issues is desirable, requiring them to undertake additional study or work experience placements is unlikely to be equally beneficial. Adding to the burden of study or work experience involves considerable costs borne by the students and thus is likely to reduce, rather than increase, the supply of trained workers for family support programs. In any case, however good the training received, experience may be the only way to build sufficient practical knowledge to deal with complex and multi-faceted family support issues.

### *Skills of existing workers*

While there appear to be some deficiencies in the skills of workers entering the sector, most employers in the general community service sector believe that their existing employees possess the skills necessary for their jobs. Similarly, almost all workers in these services believe that they have the skill required for their current roles (Martin and Healy 2010). This suggests that employers are providing

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appropriate in-service training and professional development, or that workers are able to learn from experience in their roles, enabling workers to attain required skill levels after they commence employment. There may nevertheless be gaps in some areas. For instance, the Queen Elizabeth Centre reported that:

Family Support Services lack the appropriate job structure and specialist knowledge of early brain development and how it is impacted by a young child's environment and the damage that can be caused if the early signs are not detected. (sub. DR174, p. 2)

Also, the Ethnic Communities Council of Queensland considered that staff in family support programs need cultural competency training in order to work effectively with families from CALD backgrounds (sub. 58). The Family Partnership Training Program is an example of a training program which may address such skill gaps (Queen Elizabeth Centre, sub. DR174).

## **Professional support**

While effective professional development appears to be contributing to the sound skill base of workers in family support programs, there is scope for improvement in the support and guidance provided to this workforce. Professional support is a particular concern in family support services, for several reasons. As discussed above, family support is often provided in difficult environments, and can place considerable relational and emotional burdens on workers. The ability to debrief and converse with peers is therefore essential. However, many workers in family support programs operate in isolation from those in the same profession.

... often, specialist workers are the sole technical expert in their given field in their workplace and they must source professional supervision elsewhere, for which funding may or may not be able to be provided. This drives specialists away from the early childhood development sector. (Mission Australia, sub. 12, p. 4)

The Commission's recommendations relating to the payment of market wages in, and increased funding certainty for, family support programs (recommendations 13.1 and 13.2 above) should help to address these gaps.

- By paying market wages, family support programs should be able to attract more experienced staff, who can more easily take on professional supervision roles.
- With greater funding certainty, family support programs will have greater capacity to establish relationships with other services that employ the same workers, increasing staff access to workers in the same profession. For instance, better linkages between family support and community health services may help to address professional isolation of allied health professionals. The move towards service integration (chapter 15) should also help to improve such linkages.

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A clear understanding that providers of family support services are expected to offer professional support and development for their staff (COAG 2009c), and need to be funded to do so, would also help in this regard.

## **Planning**

### *Workforce mobility*

Workforce planning in family support services is complex, because workers come from so many professions. Mission Australia noted that there is:

... a greater potential for mobility into and out of the early childhood development sector for workers in the family support services segment relative to ECEC workers. (sub. 12, p. 8)

This potential mobility arises because most workers in family support programs have skills that are highly relevant in the community services, health, ECEC, disability or aged care sectors, or indeed in many of these sectors. Some governments are actively promoting movement between sectors. For instance, the Queensland Government publishes guidance for children's services workers who are interested in working in family support services (Queensland Government nd).

Despite their capacity to work in other sectors, 68 per cent of general community services staff reported that they intend to be working in the same sector in three years time (Martin and Healy 2010). Indeed, 'general community service workers who contemplate leaving their jobs are often motivated by opportunities to advance within the sector, rather than by more attractive outside offers' (Martin and Healy 2010, p. 190). This suggests that creating or expanding opportunities for career progression within family support services will promote staff retention. The Commission's recommendation to increase funding certainty for family support services (recommendation 13.2 above) should assist them in creating career opportunities for their staff.

### *Rural and remote issues*

In common with other parts of the ECD workforce, providers of family support services reported difficulty in attracting staff in rural areas (Benevolent Society, sub. 49; Early Childhood Intervention Australia (NSW Chapter), sub. 25; Northcott Disability Services, sub. 18). In addition, deficiencies in training were reported to be particularly acute in rural and remote areas.

There is a severe lack of training across the sector — i.e. skills in working effectively with other organisations, managing services, supporting and mentoring staff within

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services, working effectively with parents and families, meeting the complex needs of children with additional needs in resource poor work environments, financial management, and other leadership activities. (RRACSSU Central, sub. 42, p. 18; Batchelor Institute, sub. 46, p. 18)

Chapter 9 considers rural and remote issues for the ECEC workforce, and chapter 10 examines training and professional development of the workforce. Many of the recommendations in those chapters will also be relevant to workers in family support services. For instance, workers in family support services in remote areas require suitable housing and access to relevant technology to assist with training, development and support.

### *Indigenous programs*

Many family support programs place a particular emphasis on supporting Indigenous parents and children. For instance, the Australian Government's Communities for Children initiative contains programs for specific target groups, including Indigenous Australians and families from CALD backgrounds (Muir et al. 2009). There are also a number of Indigenous-specific family support programs. For example, in the Northern Territory:

The Families as First Teachers-Indigenous Parenting Support Services Program works to strengthen positive relationships in families, promote positive behaviour in children and build confidence in parenting. This is done through modelling behaviour management at the early learning sessions, encouraging families in their interactions, group discussions, parenting workshops, home visiting and individual consultations. The program takes a strength based approach to parenting, working from the belief that all families want the best start in life for their children. (DET NT 2011b)

Whether they work in mainstream or targeted programs, staff need skills in the provision of culturally appropriate services to effectively support Indigenous families.

Culturally appropriate services are those which have individual staff who have appropriate knowledge, skills, values and a long-term commitment to building trusting relationships and engaging with families. (Flaxman, Muir and Oprea 2009, p. viii)

The Commission's recommendation to increase funding certainty for family support services (recommendation 13.2 above) should facilitate long-term staff commitment to Indigenous-focused services. Other methods of improving the quality of ECD service provision for Indigenous families, including cultural competency training, are discussed in chapter 14.

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### *Need for robust evaluation*

While the need for more consistent and robust evaluation of family support programs has been recognised by Australian governments (AHMC and CDSMC 2006), there is little high-quality evidence about which programs are most effective and whether different workers have the necessary skills to support vulnerable families and improve child outcomes (box 13.2). Indeed, the evidence base on the effectiveness of family support programs is in ‘urgent’ need of improvement (Barlow and Parsons 2007, p. 10). The weakness of the evidence base for family support programs means that, in all probability, some family support programs are ineffective, and funding directed to such programs would be more effectively spent elsewhere. The Benevolent Society highlighted the importance of program evaluation, offering that:

Evaluation is critical to measuring what we do and the impact of our programs on the people we work with. This allows us to identify what’s working well and any gaps in service delivery so that we can continually improve what we do and ensure that we are providing the best possible service to our clients. (sub. DR161, p. 3)

Evaluating family support programs can be challenging, because many of their impacts are in areas that defy neat categorisation, such as relationships and personal growth. There are nevertheless a number of promising methods and techniques that could enhance family support evaluations (Bruner 2006). Longitudinal studies can also be important in evaluating family support programs. ‘Longitudinal data are essential to analyse change’ (Sanson et al. 2002, p. 4), as they allow the sustainability and effectiveness of different programs to be assessed.

#### RECOMMENDATION 13.3

***In order to obtain the greatest benefit from workers in the family support sector, governments should direct a larger share of funding for family support programs towards obtaining high-quality evidence about the effectiveness of different programs through longitudinal studies and robust program evaluations.***

### *Provision of family support by volunteers and peers*

Family support programs provided by volunteers and peers have demonstrated various degrees of success. While there is little evidence that programs which focus on befriending parents lead to improved child development outcomes (Byrne and Kemp 2009), other volunteer and peer programs do lead to such improvement. For instance, HIPPY has been shown to enhance children’s development and school readiness in a variety of communities (Dean and Leung 2010). The expansion of

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HIPPY is now being funded by the Australian Government (DEEWR nde). A federally funded evaluation of the program has been completed (including an examination of the program's effects in five Indigenous communities — Indigenous-focused services are discussed further in chapter 14), although the results have not yet been released (Brotherhood of St Laurence, sub. DR182). The involvement of volunteers in family support programs was supported by several study participants (for instance, Benevolent Society, sub. 49; Community Connections Solutions Australia, sub. 75).

Programs delivered by volunteers and peers have a number of potential benefits including that:

- members of the same community can be particularly effective at building relationships with target families
- they may be perceived as less threatening than traditional services, particularly where vulnerable families may be wary of government representatives and authority figures
- they can have lower costs, and so can reach more families with a given budget.

However, in expanding volunteer- and peer-delivered family support programs, there are a number of hurdles that would need to be overcome. First, the Australian evidence base for these programs remains sparse. It would need to be improved before volunteer family support programs could confidently be adopted on a widespread basis. Second, recruitment of appropriate volunteers may be challenging, particularly as volunteering in community services organisations has seen a relative decline in participation in recent years (ABS 2007c). Despite these challenges, the Commission considers that delivery of family support programs by volunteers and peers merits further development and evaluation.

#### RECOMMENDATION 13.4

***In order to obtain better evidence on the effectiveness of family support programs delivered by volunteers and peers, governments should evaluate such programs on a wider scale, with a view to the expansion of such programs if they prove to be effective.***

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## 14 ECD workforce for Indigenous children

### Key points

- Indigenous children often experience significant disadvantage. The National Indigenous Reform Agreement includes six targets to close the gap on Indigenous disadvantage, and several focus on children.
- Disadvantaged children stand to gain the most from quality early childhood development (ECD) services, and reducing the gaps in outcomes means quality ECD services for Indigenous children will need to be a priority for governments.
- Proportionately, the Indigenous population increases with geographical remoteness, though around 75 per cent of the Indigenous population live in non-remote areas.
- Many issues affecting the mainstream early childhood education and care (ECEC) workforce affect the workforce for Indigenous children, and in many instances are more pronounced.
- There are also significant specific issues affecting the ECEC workforce for Indigenous children, particularly in remote areas. Current demand for ECEC workers for Indigenous children is not being met.
- Indigenous-focused services often have poorer infrastructure and resources, and fewer qualified staff, yet many Indigenous-focused ECEC services will initially be excluded from the National Quality Standard (NQS).
- As the NQS is applied to mainstream services, the gap between the quality of mainstream services and those for Indigenous children is likely to be exacerbated.
- To avoid this and to achieve COAG's Closing the Gap goals, Indigenous-focused services should be brought within the scope of the NQS, albeit with extended timeframes. Priority funding should be made available to these services so they meet the NQS within an agreed timeframe, without the need for ongoing waivers, and to avoid passing costs on to parents.
- Innovative solutions to attract, retain and train Indigenous staff are required, such as more flexible work arrangements. Specific strategies already used will need to be used more intensively if Indigenous-focused services are to 'catch up'.
- Support for the Indigenous ECEC workforce should include culturally appropriate VET and higher education courses, and preparation for work and study courses for Indigenous students in remote areas where they lack experience in the education system and have poor levels of literacy.
- Cultural competency training is important for the effective delivery of ECEC services for Indigenous children. Appropriate professional development should be provided to all staff working with Indigenous children.

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Indigenous people in Australia often experience significant disadvantage, as indicated by lower levels of literacy and numeracy, employment, life expectancy and other factors (box 14.1). For example, half of all Indigenous children are behind in the areas of language and cognitive skill development in their first year of compulsory schooling (CCCH and Telethon Institute for Child Health Research 2009). Some Indigenous children also experience community and family violence, alcohol abuse, and disengagement from culturally valued activities. Disadvantage experienced by many Indigenous children increases with geographical remoteness (IERSC 2010).

Disparities in outcomes for Indigenous and non-Indigenous children persist. This is despite government expenditure per Indigenous child at a rate significantly higher than for non-Indigenous children. For example, government early childhood education and care (ECEC) expenditure on Indigenous children is more than 2 times the rate of non-Indigenous children (IERSC 2010).

Children experiencing disadvantage stand to gain the most from quality early childhood development (ECD) services. Quality ECD services can help Indigenous children develop the social and cognitive skills necessary for achievement at school and in later life (Heckman 2006) (chapter 3).

## **Policy reforms — initiatives for Indigenous children**

The COAG National Indigenous Reform Agreement (NIRA) includes six targets for ‘closing the gap’ on Indigenous disadvantage. These include reducing the gap in developmental outcomes between Indigenous and non-Indigenous children relating to young child mortality, participation in quality early childhood education, and reading, writing and numeracy.

The National Partnership Agreement on Early Childhood Education (NPA ECE) and the Closing the Gap National Partnership Agreement on Indigenous Early Childhood Development (NPA IECD) comprise a number of commitments including:

- lifting the participation rate of Indigenous children to ensure access to early childhood education for all Indigenous 4-year olds by 2013, including those 4-year olds in remote communities
- funding of child health checks for Indigenous children (including in mainstream health services)

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### Box 14.1 Indigenous disadvantage

Indigenous people often experience significant disadvantage, as indicated by a range of health, education and employment outcomes. This disadvantage begins early, and continues throughout life. Some COAG 'close the gap' indicators on Indigenous disadvantage (including early childhood education) provide a useful summary.

**Young child mortality**, in particular infant mortality, is an indicator of the general health of the population. Indigenous perinatal and infant (within one year) mortality rates are two to three times the non-Indigenous rates. For example, Indigenous infant mortality rates are 1.6 to three times the non-Indigenous rate.

**Early childhood education** (ECE) of high quality can enhance the social and cognitive skills necessary for achievement at school and later in life. Providing access to high quality ECE for all Indigenous 4-year olds, including in remote communities, is a COAG target.

**Reading, writing and numeracy** and improved educational outcomes is a key to overcoming many aspects of disadvantage. A substantially lower proportion of Indigenous students compared with non-Indigenous students achieve the national minimum standards for reading, writing and numeracy, across all year levels. For example in 2010, 75.1 per cent of Indigenous year 3 students achieved the national minimum standard for reading, compared with 95.0 per cent of non-Indigenous year 3 students.

**Year 12 attainment** may be necessary if young people are to have access to the full range of further education, training, employment and life chances consistent with their abilities. In 2008, 45 per cent of Indigenous 20–24 year olds had completed year 12 or equivalent, compared with 88 per cent of non-Indigenous people. In 2010, retention rates (to year 12) for Indigenous students were 47 per cent, compared with 79 per cent of non-Indigenous students.

**Employment** is related to people's living standard and many aspects of their wellbeing. In 2006, the unemployment rate for Indigenous people was 15.6 per cent, compared with 5.1 per cent for non-Indigenous people.

In 2008, the employment to population ratio for Indigenous people was 54 per cent, compared with 76 per cent for non-Indigenous people. The labour force participation rate for Indigenous people was 64.5 per cent, compared with 78.9 per cent for non-Indigenous people.

**Life expectancy** is a broad indicator of the long-term health and wellbeing of Indigenous Australians. Estimated life expectancy at birth was 72.9 years for Indigenous females and 67.2 years for Indigenous males for 2005–2007. This compares with 82.6 years for non-Indigenous females and 78.7 years for non-Indigenous males.

*Sources:* SCRGSP (2009, 2011b).

- the establishment of 38 new integrated Children and Family Centres (23 of which will be located in regional or remote areas), integrating ECEC, family support, and child health services (table 14.1).

Further, the Australian Government allocated \$59.4 million (over four years) in the 2010-11 Budget to increase the staff qualification levels and staff-to-child ratios in budget-based funded Indigenous-focused ECEC (non-mainstream) services (FaHCSIA 2010a).

These initiatives are supported by a number of Indigenous specific measures including the NPA on Indigenous Economic Participation, which requires the incorporation of Indigenous workforce strategies into all new major COAG reforms, and the Indigenous Remote Workforce Strategy that will support trainees in ECEC services in remote areas (DEEWR, sub. 86).

**Table 14.1 Children and Family Centres (CFCs)**

Integrated ECD services targeting the needs of Indigenous children and families

<i>Location</i>	<i>Regional or remote</i>	<i>Urban</i>	<i>Total</i>
NSW	4	5	9
Vic	1	1	2
Qld	6	4	10
SA	3	1	4
WA	4	1	5
Tas	1	1	2
NT	4	1	5
ACT	–	1	1
<b>Total</b>	<b>23</b>	<b>15</b>	<b>38<sup>a</sup></b>

<sup>a</sup> Planned for completion by June 2014. – Nil.

Source: DEEWR (ndi).

## The Indigenous child population

Over half of the Indigenous population live in New South Wales or Queensland, and there are significant Indigenous populations in Western Australia and the Northern Territory. Indigenous people make up about one-third of the Northern Territory population, and more than 80 per cent of Indigenous people in the Territory live in remote and very remote areas (ABS 2007b, 2010g).

About 75 per cent of Indigenous people live in major cities and regional areas (31 per cent and 45 per cent respectively), and about 25 per cent live in remote and very remote areas (ABS 2007b). The Indigenous proportion of the total population increases with geographic remoteness (from 1 per cent of people in major cities to

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48 per cent of people in very remote areas) (ABS 2010g). One feature of Indigenous Australia is that there are a large number of discrete communities inhabited predominantly by Indigenous people, most of which are located in very remote areas (many with populations of less than 50 people) (Fordham and Schwab 2007).

The remoteness of Indigenous people and services is linked to workforce challenges (section 14.2). Generally, these challenges increase with remoteness, such as literacy and numeracy among Indigenous people (SCRGSP 2011b). The challenges for the delivery of ECD services in remote areas generally are discussed in chapter 9.

The Indigenous population has a younger age profile than the non-Indigenous population, reflecting both higher fertility and mortality rates (ABS 2009d). Indigenous children make up 4.9 per cent of Australian children aged from birth to 4 years of age, in contrast with Indigenous people who make up 2.5 per cent of the total population (IERSC 2010). The geographic distribution of the 55 000 Indigenous children in Australia aged birth to 4 years follows that of Indigenous people as a whole, and the Indigenous proportion of the total birth to 4 years population also increases with geographic remoteness (ABS 2006).

## **The scope of this chapter**

The ECD sector provides ECEC, child health and family support services for Indigenous children (child health and family support services are discussed in chapters 12 and 13), and these services are often delivered within integrated ECD services (chapter 15). The focus of this chapter is on ECEC services for Indigenous children and the ECEC services workforce, and includes those delivered within an integrated ECD services setting. Although around one-third of Indigenous children live in major cities, more emphasis is placed on the regional and remote ECEC services, reflecting the additional workforce challenges of these services.

## **14.1 ECEC services for Indigenous children**

ECEC services for Indigenous children are delivered in mainstream services that cater to Indigenous and non-Indigenous children, or in Indigenous-focused services that cater exclusively (or largely) to Indigenous children. Overall, more Indigenous children are enrolled in mainstream services than in Indigenous-focused services (DEEWR, sub. DR301) and some mainstream ECEC services provide education and care to a significant number of Indigenous children ('Indigenous specialised mainstream' services are discussed below). The relative contribution of mainstream

services to Indigenous ECEC differs between jurisdictions. Typically, jurisdictions with higher rates of urbanisation have higher rates of Indigenous children attending mainstream ECEC services.

The Australian Government funds Indigenous-focused ECEC services where it is not commercially viable to provide services privately and where culturally competent services are required to meet the needs of local Indigenous people (non-mainstream services funded under the Australian Government's budget-based funding program). These include a range of service types such as Multifunctional Aboriginal Children's Services (MACS), crèches, playgroups, and mobile childcare services (mobile services) that visit rural and remote areas (table 14.2). In addition, a number of state government and independent preschools are designated specifically for Indigenous children.

Indigenous-focused ECEC services delivered within an integrated ECD service setting reduce the difficulties families may have identifying and accessing fragmented services. Integrated ECD services that extend beyond ECEC and include child health and family support services can be particularly helpful for disadvantaged families, who may need contact with multiple services in a coordinated way. These additional services interact to support children, including to improve education outcomes. For example, hearing impediments, prevalent among Indigenous children (SCRGSP 2011b), limit children's ability to learn, and child health services assist in its early identification and treatment. Further, family support services that recognise the importance of family can enhance education outcomes for children by enhancing the family environment.

**Table 14.2 Indigenous-focused ECEC services<sup>a</sup>**  
2009-10

<i>Service type</i>	<i>NSW</i>	<i>Vic</i>	<i>Qld</i>	<i>SA</i>	<i>WA</i>	<i>Tas</i>	<i>NT</i>	<i>ACT</i>	<i>Aust</i>
MACS <sup>b</sup>	9	6	3	5	5	1	3	1	33
Crèche	–	–	–	4	2	–	31	–	37
Playgroup	4	5	10	–	2	–	1	–	22
Mobile	3	–	1	1	6	–	3	–	14
Flexible/innovative child care <sup>c</sup>	–	–	12	7	2	1	15	–	37
Outside School Hours Care	3	–	44	2	4	–	68	–	121
Other	–	1	–	–	2	–	2	–	5
<b>Total</b>	<b>19</b>	<b>12</b>	<b>70</b>	<b>19</b>	<b>23</b>	<b>2</b>	<b>123</b>	<b>1</b>	<b>269</b>

<sup>a</sup> Budget-based funded Indigenous-focused ECEC (non-mainstream) services. <sup>b</sup> Includes six MACS managed by the Victorian Government under the Grow MACS project. <sup>c</sup> These services may include Outside School Hours Care, Long Day Care, Occasional Care, mobile, on-farm, multi-sited and overnight care. – Nil.

Source: Productivity Commission estimates based on unpublished DEEWR data (2009-10).

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MACS are one example of Indigenous-focused integrated ECD services and are specifically designed to meet the needs of local Indigenous families by offering a range of services and providing a combination of LDC and at least one other form of ECEC or activity. Mobile services may include playgroups, vacation care, lending libraries and parenting support. The MACS model incorporates Indigenous control, although funding for these services is limited, and decisions with respect to that funding are reviewed each year. The establishment of Children and Family Centres (CFCs) will further enhance the availability of integrated services for Indigenous children and their families (box 14.2). However, one contributor to this study believes the weaker commitment of CFCs to community engagement and control (compared with MACS) could negatively affect their contribution to increased ECEC service provision to Indigenous children (SNAICC, sub. DR279).

### **Participation of Indigenous children in ECEC services**

Mainstream ECEC and preschool services cater to both Indigenous and non-Indigenous children, in urban, regional or remote areas. Indigenous children are under-represented in mainstream ECEC. Nationally, 1.9 per cent of children in mainstream ECEC are Indigenous, although their representation in the community is 4.4 per cent<sup>1</sup>. Indigenous children are under-represented across all jurisdictions, and this is greatest in the Northern Territory, where 9.4 per cent of children attending are Indigenous but their representation in the community is 39.2 per cent (table 14.3). However, these figures should be interpreted with caution as not all ECEC services are represented in the data, and child attendance could be overstated as there is no unique identifier for each child. In mainstream ECEC, Indigenous children are most represented in occasional care (these services are discussed in chapter 7).

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<sup>1</sup> Based on proportion of children from birth to 12 years attending Australian Government approved ECEC services in 2010 (SCRGSP 2011a).

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**Box 14.2   Multifunctional Aboriginal Children's Services (MACS) and Children and Family Centres (CFCs)**

Multifunctional Aboriginal Children's Services (MACS) are designed to meet the educational, social and developmental needs of Aboriginal and Torres Strait Islander children. Each MACS centre offers culturally appropriate services, and provides Indigenous communities the opportunity to design and operate their own childcare services.

MACS provide long day care for below school age children, and at least one other form of ECEC or activity (such as outside school hours care, playgroups, nutrition programs and/or parenting programs).

Program funding for MACS is limited and decisions to offer funding are reviewed each year. Even where existing or new applicants meet the funding criteria, it is not guaranteed. Funding for MACS does not take into account changes in demand for services, with the result that the level of funding has been relatively stable over time. MACS received an increase in funding of 20 per cent in 2007-08 in recognition that funding had not previously kept pace with cost increases (ANAO 2010; DEEWR ndb). Despite this, one contributor to this study indicated that many MACS have had to reduce the scope of services provided (SNAICC, sub. DR279).

Children and Family Centres (CFCs) are to be established across Australia. They will target the needs of Indigenous families and their young children, but will also provide services to all families in the community. The range of services offered can include ECEC, family support and child health services. Community consultation will inform the mix of services offered in each centre, although in contrast to MACS, not all CFCs will be operated by Indigenous communities.

Jurisdictions will be responsible for planning and implementation of CFCs. Community engagement is recognised as integral to their success, and each jurisdiction will be responsible for consultation with Indigenous communities and other stakeholders.

Location of CFCs is based on criteria including population size and disadvantage, and takes into account existing services and current service needs. Consideration will be given to incorporating or linking existing Australian Government funded services (such as playgroups) with CFCs. (COAG 2009b)

**Table 14.3 Indigenous children in mainstream ECEC services<sup>a</sup>**

By jurisdiction

	<i>Units</i>	<i>NSW</i>	<i>Vic</i>	<i>Qld</i>	<i>SA</i>	<i>WA</i>	<i>Tas</i>	<i>NT</i>	<i>ACT</i>	<i>Aust</i>
<b>Mainstream services</b>										
ECEC <sup>b</sup>	no.	4 042	2 544	2 516	867	868	309	165	240	11 551
Preschool	no.	1 031	1 536	393	506	901	226	129	87	4 809
Total	no.	5 073	4 080	2 909	1 373	1 769	535	294	327	16 360
<b>Indigenous children attending</b>										
ECEC <sup>b</sup>	no.	6 778	1 396	6 984	1 065	1 466	348	913	207	19 156
Preschool		na	na	na	na	na	na	na	na	na
Indigenous children attending ECEC <sup>b</sup>	ave.	1.7	0.6	2.8	1.3	1.7	1.1	5.5	0.9	1.7
<b>Proportion of Indigenous children</b>										
Indigenous children attending ECEC <sup>b</sup> (proportion of all children)	%	2.1	0.6	2.9	1.4	2.1	1.5	9.4	0.9	1.9
Indigenous children in the community (proportion of all children) <sup>c</sup>	%	4.1	1.2	6.2	3.3	5.6	6.5	39.2	2.3	4.4

<sup>a</sup> Average of the maximum number of children to whom care is offered at any one time. <sup>b</sup> Excludes stand-alone preschools. <sup>c</sup> Based on proportion of children aged 0–12 years in the community. **na** Not available.

*Sources:* Productivity Commission estimates based on unpublished DEEWR data from the 2010 National ECEC Workforce Census; SCRGSP (2011a).

The under-representation of Indigenous children in mainstream childcare services is offset in part by many Indigenous children attending Indigenous-focused ECEC services (such as MACS). Though limited data prevent a thorough description of Indigenous children's participation in Indigenous-focused ECEC services, Indigenous-focused ECEC services increase the overall Indigenous-child participation rate in ECEC services (table 14.4).

**Table 14.4 Children attending Indigenous-focused ECEC services<sup>a,b</sup>**  
2009-10

	<i>NSW</i>	<i>Vic</i>	<i>Qld</i>	<i>SA</i>	<i>WA</i>	<i>Tas</i>	<i>NT</i>	<i>ACT</i>	<i>Aust</i>
MACS reporting/ total	9/9	–/6 <sup>c</sup>	np	4/5	5/5	np	np	np	25/33
Indigenous children attending <sup>d</sup>	34	..	44	21	25	37	34	20	30
Crèches reporting/ total	–	–	–	np	np	–	22/31	–	28/37
Indigenous children attending <sup>d</sup>	..	..	..	11	17	..	15	..	14
Playgroups reporting/ total	np	np	6/10	–	np	–	np	–	8/22
Indigenous children attending <sup>d</sup>	20	..	16	..	16	..	..	..	17
Mobiles reporting/ total	3/3	–	np	np	6/6	–	np	–	10/14
Indigenous children attending <sup>d</sup>	19	..	10	..	45	..	..	..	34
Flexible-innovative child care services reporting/ total	–	–	11/12	5/7	np	np	8/15	–	27/37
Indigenous children attending <sup>d</sup>	..	..	30	32	19	26	48	..	35
Outside School Hours Care services reporting/ total	np	–	19/44	np	3/4	–	41/68	–	65/121
Indigenous children attending <sup>d</sup>	20	..	37	9	86	..	59	..	52
Other services reporting/ total	–	np	–	–	np	–	np	–	1/5
Indigenous children attending <sup>d</sup>	..	..	..	..	65	..	..	..	65
<b>Total</b>									
Total services reporting/ total	14/19	np	39/70	14/19	20/23	np	74/123	np	164/269
Indigenous children attending <sup>d</sup>	29	..	31	21	40	32	44	20	37

<sup>a</sup> Budget-based funded Indigenous-focused ECEC (non-mainstream) services. <sup>b</sup> Average number of Indigenous children attending each service, based on children attending during 2 week survey. Only 60 per cent of Indigenous-focused services provided attendance data. Child attendance could be overstated as there is no unique identifier for each child. <sup>c</sup> Data from the six MACS managed by the Victorian Government was not available. <sup>d</sup> Average number of children attending. – Nil. .. Not applicable. np Not for publication.

Source: Productivity Commission estimates based on unpublished, non-mainstream service report data from DEEWR (2009-10).

Indigenous children are likely to be under-represented in preschool but limited reliable data make it difficult to draw strong conclusions (SCRGSP 2009; SCRGSP 2011b). Enrolment of Indigenous children in preschool services in the year before

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full-time school (3.2 per cent) is lower than their representation in the community<sup>2</sup>, although the picture varies across jurisdictions (SCRGSP 2011a). However, absentee rates indicate that enrolment figures may paint an overly optimistic picture.<sup>3</sup> For example, in Western Australia, of all children enrolled in preschools provided by Catholic and independent schools, more than 40 per cent of Indigenous children were absent during the survey week, compared with around 20 per cent of non-Indigenous children. In the Northern Territory, more than 60 per cent were absent, compared with around 20 per cent of non-Indigenous children (SCRGSP 2011a).

The under-representation of Indigenous children in ECEC services may occur for a range of reasons.

- Indigenous people may have poor access to services, particularly in remote locations.
- Fees may prevent families accessing services, even when they are heavily subsidised.
- Services may not meet the support or cultural needs of Indigenous families, discouraging Indigenous families from participating.
- Where services do exist, transport issues may prevent families accessing some services, particularly in remote locations.
- Complex cultural relationships can prevent family use of Indigenous-focused services (Fasoli et al. 2004).

Indigenous-focused ECEC services, more often delivered in remote and very remote areas, seek to address some of these access problems (table 14.5). However, many Indigenous-focused ECEC services have poorer infrastructure and resources than mainstream services, and they also have fewer qualified staff (section 14.2) (DOFD 2008).

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<sup>2</sup> Indigenous children 3 to 5 years of age.

<sup>3</sup> Based on unpublished *National Preschool Census 2010* data. A child is deemed absent if they missed one or more sessions that they were enrolled in during the survey week. Data is drawn from non-government preschool services only.

**Table 14.5 Indigenous-focused ECEC services<sup>a</sup>**

By remoteness

<i>Service type</i>	<i>Major cities</i>	<i>Inner regional</i>	<i>Outer regional</i>	<i>Remote</i>	<i>Very remote</i>	<i>Other</i>	<i>Total</i>
MACS <sup>b</sup>	9	11	4	6	3	–	33
Crèche	–	1	1	3	31	1	37
Playgroup	1	7	7	1	6	–	22
Mobile	–	–	2	9	3	–	14
Flexible/innovative child care	1	1	4	9	22	–	37
Outside School Hours Care	6	3	10	22	80	–	121
Other	1	–	1	2	1	–	5
<b>Total</b>	<b>19</b>	<b>23</b>	<b>29</b>	<b>52</b>	<b>146</b>	<b>1</b>	<b>269</b>

<sup>a</sup> Budget-based funded Indigenous-focused ECEC (non-mainstream) services. <sup>b</sup> Includes six MACS managed by the Victorian Government under the Grow MACS project. – Nil.

Source: Productivity Commission estimates based on unpublished, non-mainstream service report data from DEEWR (2009-10).

A small number of mainstream ECEC services have 25 per cent or more Indigenous children in their services (referred to here as ‘Indigenous-specialised mainstream’ services). Of these ‘Indigenous-specialised mainstream’ services, the highest proportion (43 per cent) are in outer regional areas (table 14.6).

**Table 14.6 Indigenous-specialised mainstream ECEC services<sup>a</sup>**

By remoteness

	<i>Major city</i>	<i>Inner regional</i>	<i>Outer regional</i>	<i>Remote and very remote</i>	<i>Remote not specified</i>	<i>Total</i>
Services	no.	26	26	56	16	129
Services (proportion)	%	20	20	43	12	100

<sup>a</sup> Mainstream ECEC services that have 25 per cent or more Indigenous children in their services.

Source: Productivity Commission estimates based on unpublished DEEWR data from the 2010 National ECEC Workforce Census.

## 14.2 ECEC workforce for Indigenous children

Current demand for ECEC workers in services for Indigenous children is not being met. These services are affected by the many recruitment and retention, pay and conditions, and training issues that apply to mainstream services (outlined in earlier chapters). On the whole, those issues affecting the mainstream ECEC workforce apply to all services for Indigenous children, and those issues affecting mainstream rural or remote services (chapter 9) apply to all rural or remote services for

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Indigenous children. For example, the availability of housing and housing costs that present workforce challenges for remote mainstream ECEC services also apply to Indigenous-focused services in remote locations. Similarly, current incentives — that are not sufficient to attract and retain workers to mainstream services in remote locations — are not sufficient to attract and retain workers to Indigenous-focused services in remote locations (though to address this, a greater focus is likely to fall on increasing the skills of people already living in remote locations for the reasons outlined below). Further, additional workforce difficulties are often experienced by ECEC services for Indigenous children, in particular Indigenous-focused services. Indigenous-focused services in rural and remote areas face the most workforce difficulties. As a result, these workforce difficulties do not affect all jurisdictions, and they are more prevalent in some locations than others.

The additional workforce difficulties experienced by ECEC services for Indigenous children can be illustrated by looking at mainstream services receiving exemptions (from regulations in their jurisdiction) that enable a position to be occupied by a worker without holding the required ECEC qualification. Around 10 per cent of mainstream services and around 20 per cent of remote and very remote mainstream services received a qualification exemption (chapter 9). But qualification exemptions are even more pronounced among remote and very remote ‘Indigenous-specialised mainstream’ services, where more than 35 per cent received exemptions (Productivity Commission calculations based on unpublished DEEWR data).

Although limited data availability prevents a thorough description of the workforce for ECEC services for Indigenous children (SNAICC, sub. 29), some general comments can be made.

- The workforce comprises Indigenous and non-Indigenous workers. The relative number of Indigenous versus non-Indigenous workers is greater in Indigenous-focused services. Regional and remote Indigenous-focused services have a greater proportion of Indigenous workers than major city or very remote Indigenous-focused services (Productivity Commission calculations based on unpublished DEEWR data, 2009-10).
- There are fewer qualified Indigenous than non-Indigenous workers, and where qualified they generally hold certificate level rather than diploma or degree qualifications, including in Indigenous-focused ECEC services (table 14.7).
- Degree-qualified positions are more commonly held by non-Indigenous workers in Indigenous-focused services (table 14.7).

**Table 14.7 Workers in Indigenous-focused ECEC services<sup>a</sup>**

By qualification

	<i>Units</i>	<i>Indigenous</i>	<i>Non-Indigenous</i>	<i>Total</i>
Workers	no.	835	345	1 180
Without formal qualification	%	67.4	49.6	62.2
With formal qualification <sup>b</sup>	%	32.6	50.4	37.8
Certificate I	%	0.5	–	0.3
Certificate II	%	1.1	0.6	0.9
Certificate III	%	18.6	12.2	16.7
Certificate IV	%	3.0	0.9	2.4
Diploma or advanced	%	6.2	21.7	10.8
Bachelor degree or above	%	3.2	15.1	6.7
<b>All workers</b>	<b>%</b>	<b>100</b>	<b>100</b>	<b>100</b>

<sup>a</sup> Budget-based funded Indigenous-focused ECEC (non-mainstream) services. <sup>b</sup> Highest attained qualification. – Nil.

Source: Productivity Commission estimates based on unpublished, non-mainstream service report data from DEEWR (2009-10).

Of the unqualified workers in Indigenous-focused ECEC services, similar proportions of non-Indigenous and Indigenous workers are studying toward a qualification. Most are studying toward certificate III qualifications. A smaller proportion of unqualified Indigenous workers are studying toward a degree or higher level qualification (1 per cent) than non-Indigenous workers (4 per cent) (table 14.8).

**Table 14.8 Unqualified workers in Indigenous-focused ECEC services undertaking study<sup>a</sup>**

By study qualification

	<i>Units</i>	<i>Indigenous</i>	<i>Non-Indigenous</i>	<i>Total</i>
Workers without formal qualification	no.	563	171	734
Not studying	%	73	70	72
Studying toward	%	27	30	28
Certificate I	%	1	–	1
Certificate II	%	3	1	2
Certificate III	%	20	23	21
Certificate IV	%	1	1	1
Diploma or advanced	%	2	2	2
Bachelor degree or above	%	1	4	1
<b>All workers</b>	<b>%</b>	<b>100</b>	<b>100</b>	<b>100</b>

<sup>a</sup> Budget-based funded Indigenous-focused ECEC (non-mainstream) services. – Nil.

Source: Productivity Commission estimates based on unpublished, non-mainstream service report data from DEEWR (2009-10).

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## Data availability

Limited data availability on Indigenous-focused ECEC services, including their workforce, prevent thorough analysis, reducing governments' ability to effectively plan and deliver these services. Limited data availability is due to incomplete data collection, made difficult where the number of skilled staff able to provide this data is limited. Also, current systems do not support the regular collection, validation and distribution of data. While significant challenges prevent the skill shortages of these services being immediately addressed, additional investment to improve systems could improve governments' ability to plan and deliver these services and understand their workforce needs.

FINDING 14.1

*Limited data availability on Indigenous-focused ECEC services, including their workforce, prevent thorough analysis, reducing governments' ability to plan and deliver these services effectively.*

## Attracting, retaining and training Indigenous staff

Staff working with Indigenous children require high levels of cultural competency, and special skills and qualities to work with disadvantaged children (as a higher proportion of Indigenous than non-Indigenous children are disadvantaged). Additionally, staff working in some remote locations require local language skills. For these reasons, increased employment of Indigenous workers is a critical factor in the delivery of services for Indigenous children. This is particularly important in rural and remote communities, where Indigenous people are a larger proportion of the population and it is difficult to attract workers to those communities. Recruiting Indigenous staff has the added benefit of attracting Indigenous families to Indigenous-focused and mainstream services (Hutchins, Frances and Sagers 2009).

Challenges faced by ECEC services for Indigenous children in attracting and retaining suitably qualified Indigenous staff include:

- high effective marginal tax rates (that is, the combined effect on earnings of income tax and withdrawal of assistance)
- inflexible work arrangements that fail to accommodate cultural and family responsibilities (Batchelor Institute, sub. 46; RRACSSU Central, sub. 42)
- 'tall poppy syndrome', where people are resented or criticised for their talents or achievements.

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Indigenous-focused ECEC services seeking to recruit Indigenous staff face additional difficulties in doing so, particularly where they are located in remote or Indigenous communities that are often characterised by lower levels of formal education and workforce participation.

There are numerous reasons for this.

- Low levels of literacy and numeracy among the Indigenous population in remote and very remote communities (FaHCSIA 2009d).
- Some Indigenous-focused services operate in a way that reduces the willingness of potential local Indigenous workers to seek employment in those services. For example:

... in remote [Indigenous] communities finding the right staff for ECD services is challenging. When there is the wrong leader or manager in the services, when the services are seen to be run by outsiders who don't listen to the community and when people are not treated respectfully local participation of workers dwindles ... (Batchelor Institute, sub. 46, p.9; RRACSSU Central, sub. 42, p. 9)
- The lack of housing in remote locations. For example, Aboriginal education assistants in the Northern Territory who qualify as teachers (and are subsequently employed as qualified teachers) lose their Northern Territory Housing entitlement, and housing provided to teachers can take years to materialise (Department of Housing, Local Government and Regional Services 2010) (chapter 9).
- The scarcity of suitably skilled Indigenous workers in some communities results in Indigenous workers carrying responsibility beyond their role, experience or personal preference and can lead to 'burn out'.
- Significant levels of community responsibility (for example, as a mother, aunty, sister or an elder) can result in Indigenous staff being reluctant to undertake training that may place further demands on them.

These problems are compounded by staff retention problems in Indigenous communities with high levels of dysfunction. For example, Indigenous staff may be reluctant to undertake training where it requires them to leave their community, even for a short while, due to safety concerns for their children.

The employment of Indigenous workers in mainstream services is difficult for a number of reasons. A lack of cultural competence can make the workplace unattractive for Indigenous staff (NCAC, sub. 11), and Indigenous people may be reluctant to work where there are no, or few, other Indigenous staff.

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Some initiatives have been introduced to address these difficulties and to support Indigenous students and staff. Although their success remains unclear, initial results show cause for optimism (box 14.3).

### **Attracting and retaining qualified staff**

The low qualification levels of many Indigenous workers often results in Indigenous-focused ECEC services employing non-Indigenous early childhood teachers, and vocational education and training (VET) qualified or unqualified Indigenous workers, particularly in remote locations.

Recruiting non-Indigenous staff to work in Indigenous-focused ECEC services is difficult, and is particularly so in rural, remote or Indigenous communities. Compensation is typically inadequate to overcome the additional difficulties of working in these communities.

- The challenges of joining a new community for extended periods of time, that may be culturally very different, can discourage non-Indigenous people from working in remote communities (chapter 9).
- The lack of suitable housing can discourage non-Indigenous people from working in remote communities (chapter 9).
- Where there are general workforce shortages in regional or remote areas and qualified staff are required to deliver compulsory schooling, schools get priority when employing qualified staff.
- Safety issues can make working in some remote communities unattractive, and few potential staff may have the necessary characteristics and experience to handle this (Professor Alison Elliott, sub. 70).

Retention of non-Indigenous staff is also an issue. However, appropriate training and support may aid retention. Cultural training and mentor support may help staff adjust to their new environment, as may additional needs training (Batchelor Institute, sub. 46; RRACSSU Central, sub. 42).

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### Box 14.3    **Innovative strategies to attract, retain and train Indigenous staff**

**Flexible work arrangements** that respond to cultural needs of Indigenous staff can help retain Indigenous workers. An example of flexible arrangements that take into account family and community commitments is the strategy implemented in a central Australian childcare centre with a good record of staff attendance. It involves staff receiving sick and personal leave entitlements, but with adjusted pay arrangements for legitimate additional absences. The adjustment reduces staff income by taking into account their average hours worked per week and assists the centre to afford taking on additional staff to backfill staff in their absence. In addition, the number of absences and reasons for them, by category, are available to all staff (Batchelor Institute, sub. 46; RRACSSU Central, sub. 42).

The **Yarning Circle Project** was a professional support initiative that increased the capacity of ECEC educators (both Indigenous and non-Indigenous) to provide effective early childhood services for Indigenous children (in both Indigenous-focused and mainstream services).

The Yarning Circle involved conversation among two groups of early childhood educators from geographically distant areas, to gain insight and understanding that improves professional practice. The Yarning Circle supported ECEC educators to implement the Early Years Learning Framework (EYLF). Specifically, the project focused on supporting Indigenous children's sense of identity and developing them as confident and involved learners. ECEC educators took part in an ongoing discussion over five months, met four times as a group, and were provided with face to face visits, email and telephone support over the term of the project.

Participants in the Yarning Circle reported positive outcomes, and specific benefits including gaining a deeper understanding of the EYLF, and developing a range of practical ideas to implement the EYLF (Health and Community Services Workforce Council, sub. 56).

The **Batchelor Institute** of Indigenous Tertiary Education offers 'both ways' education for Indigenous people that allows them to strengthen their own cultural knowledge while learning new knowledge and skills. Batchelor student-centred course design offers 'mixed mode' course delivery. It combines community-based study and research, field study and supervised work experience with short, intensive residential workshops. It focuses on supporting students in remote communities that lack infrastructure, funding and staff resources.

ECEC related certificate courses (Certificate II in Community Services (Children's Services) and Certificate III in Children's Services) are provided as an on-the-job learning program for Indigenous students in their communities. Mentors in the community (such as Play Group directors) support students as they undertake their studies, supported by the *Learning at Work Book* that provides culturally relevant examples and allows students to work at their own pace (Batchelor Institute nd; RRACSSU 2011).

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### 14.3 The National Quality Framework

Many Indigenous-focused ECEC services are ‘initially excluded’ from the National Quality Framework (NQF). This is due to many Indigenous-focused ECEC services requiring time and additional assistance to meet the NQF (DEEWR, sub. DR301), particularly services in rural and remote areas. However, it is generally expected that Indigenous-focused ECEC services will be considered for inclusion in the NQF review planned to commence in 2014.

Though Indigenous-focused ECEC services will not be required to comply with the NQF, DEEWR stated that many of these services are currently required to meet licensing standards in their jurisdictions, including staff-to-child ratios and qualification requirements (sub. DR301). This is the case in Queensland, and these licensed Indigenous-focused services are expected to comply with the NQF in the future with minimal additional support (Queensland Government, sub. DR360).

The ECEC services initially excluded from these reforms include playgroups, most budget-based funded (non-mainstream) services, and mobile services (COAG 2010). Of the 345 budget-based funded services in operation, more than 260 are Indigenous-focused, and many mobile services in remote communities deliver services exclusively to Indigenous children. Only Indigenous-focused services that receive Child Care Benefit funding (around 8 or 9 MACS) will be included in the NQF. The planned CFCs for Indigenous children and their families will be excluded from the NQF. However, DEEWR stated that to-date, CFCs are planned to be NQF compliant, supported by funding that includes estimates of operating costs (sub. DR301).

Although many Indigenous-focused ECEC services are ‘initially excluded’ from the NQF, the \$59.4 million 2010-11 Budget measure is intended to allow these services to transition to the NQF by 2014 (DEEWR, sub. DR301). Included is \$15 million to develop the workforce, including to increase the number of qualified and culturally competent staff in those services. This funding will also include incentives for Regional Training Organisations to deliver training in remote communities and for flexible training options, and additional funding to enable staff to be released to attend training (DEEWR, sub. 86). The adequacy of this funding is difficult to assess due to limited data on the characteristics of the existing Indigenous-focused ECEC services workforce.

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## 14.4 Policy implications for ECEC services for Indigenous children

### Bringing Indigenous-focused ECEC services within scope of the National Quality Standard

The provision of quality ECEC services for Indigenous children should be prioritised. Indigenous children often experience significant disadvantage, and research suggests that disadvantaged children stand to gain the most from quality ECEC services.

The standards of most Indigenous-focused services are below those specified in the National Quality Standard (NQS), which includes minimum qualifications for staff and staff-to-child ratios, and those of many mainstream services. This is reflected in the additional time and assistance required for them to meet the standards under the NQS (DEEWR, sub. DR301). While recent government initiatives provide additional Indigenous-focused ECEC services and funds to improve the standard of such services, these initiatives may fail to close the quality gap between these and mainstream services, particularly in remote areas. The lack of commitment to specific qualification and staff-to-child ratio targets for Indigenous-focused services risks other future priorities taking precedence.

To achieve COAG's goals, Indigenous-focused ECEC services should be brought into the scope of the NQS. However, due to current staffing difficulties experienced by these services, in many cases temporary waivers will need to apply. A structured plan is required for Indigenous-focused services with temporary waivers to achieve a rating of 'Meeting National Quality Standard' (or above), with agreements on targets, so that the planned quality improvements to Indigenous-focused services do not fall away as new priorities emerge. Additional funds will be required to attract and retain suitably qualified staff for those services.

#### RECOMMENDATION 14.1

***To achieve the COAG ECEC reform goals governments should:***

- ***bring all Indigenous-focused ECEC services into the scope of the National Quality Standard, before the review planned for 2014***
- ***have a structured plan with agreed targets, and allocate additional funds to ensure all Indigenous-focused ECEC services achieve a rating of Meeting National Quality Standard or above within a specifically agreed timeframe, without the need for waivers.***

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## Policy coordination

Policy coordination is a necessary component of effective service systems (Moore and Skinner 2010). Coordination across levels of government and departments and portfolios can lead to better outcomes for children by reducing tensions between departments and programs (such as data sharing), removing bureaucratic obstacles, and improving government agency ownership. It may also improve outcomes for the workforce (Valentine, Katz and Griffiths 2007 in Moore and Skinner 2010; Batchelor Institute, sub. 46; RRACSSU Central, sub. 42).

A lack of policy coordination in delivering services for Indigenous children, including supporting the workforce, can lead to inefficiencies.

Policies and practice associated with the Indigenous Professional Support Units (IPSUs) and VET training offered through ... [registered training organisations] in the NT need attention. These two groups are charged with providing professional development to Indigenous ECD services. VET trainers target the same groups as do IPSUs. How well do they work together? How can their work be structured more effectively to support Indigenous children's service workforce development ...? Collaboration is currently difficult, due in part [to the] different policies and levels of funding. (Batchelor Institute, sub. 46, p. 5; RRACSSU Central, sub. 42, p. 5)

There are promising signs that governments are increasingly working together to reduce duplication and improve cooperation. Recommendations made by the Coordinator General for Remote Indigenous Services that address duplication and collaboration have received in principle agreement, with governments examining the use of more flexible funding arrangements to streamline reporting and reduce 'red tape', and to coordinate investments in education pathways and employment (CGRIS 2010). Even so, governments have made a number of past commitments to improve governance related to services for Indigenous people (see SCRGSP 2011b for examples), and more action will be necessary to improve efficiency.

FINDING 14.2

*A continued focus across all levels of government on coordination of Indigenous policy is necessary to avoid duplication and ensure optimal use of scarce resources.*

## Innovative approaches to service delivery in Indigenous communities

The application of the NQS to Indigenous-focused ECEC services will be challenging. The size and complexity of the task, made more difficult by the prevailing cultural challenges, suggests innovative approaches to service delivery may be required, and that capacity building should be the immediate focus.

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Several innovative programs suggest that new approaches can be successful in delivering positive outcomes for Indigenous children. There are numerous examples (box 14.4). One example relates to an education initiative under the Cape York Welfare Reform project. The Attendance Case Manager approach has been used in Aurukun, a remote Aboriginal community on the Cape York peninsula, where school attendance has improved markedly. These initiatives might be successfully applied in the ECEC context, albeit with some adjustment. For example, the attendance case manager concept may be effective in increasing preschool attendance among Indigenous children, but the non-compulsory nature of preschool suggests the role would be more akin to an outreach program that encourages rather than enforces attendance.

FINDING 14.3

*Alternative models of service delivery for Indigenous-focused ECEC services are being developed and trialled. Expansion of these models, and possible development of new ones, will be required to meet desired quality outcomes for Indigenous children.*

**Box 14.4 Examples of successful innovation**

The **Napranum Preschool Parents and Learning (PaL) Program** builds capacity in Indigenous communities by supporting parents and family members to engage in their young children's learning. It was developed following requests from parents for activities and strategies to support their young children in preparing for school.

The 2-year early literacy and numeracy program is home based, focuses on parents as teachers of their own children, and primarily complements attendance at preschool. The PaL program has expanded to operate in five other communities nationally. (Parents and Learning nd)

Initiatives that might be extended to the ECEC context are some underway in the Cape York peninsula and by the Stronger Smarter Institute.

**Cape York Partnerships** is a development organisation that enables reform by building innovative partnerships between Indigenous individuals, families and communities, government and the philanthropic and corporate sectors. The Case Management Framework (CMF) supports families to ensure their children attend school every day, are on time, and have an uninterrupted school day. The attendance CMF uses a behavioural management approach to set community-wide expectations of 100 per cent school attendance. Attendance Case Managers work with parents,

(Continued next page)

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#### Box 14.4 (continued)

students, schools and the broader community to set and meet that expectation. Every absence from school is followed-up, on the day, to work with families to resolve the reason behind the child's unexplained absence or lateness and to develop strategies to avoid reoccurrences. The approach was used in the remote community of Aurukun (on the Cape York peninsula) where school attendance has improved markedly. (FaHCSIA 2009a, 2009b, 2010d)

**MULTILIT** (Making Up Lost Time In Literacy) in Cape York Schools is designed to improve student literacy outcomes and embed sustainable high quality literacy instruction across schools. The remedial reading program designed for low-progress readers in year 2 and above has a track record of success in a wide variety of settings (including in a remote Indigenous community). For example, students given around 17 weeks of instruction on average gained more than 21 months in reading accuracy in a Cape York trial conducted by Macquarie University Special Education Centre at Coen State School. (Cape York Partnerships nd)

Initiatives from the **Stronger Smarter Institute** aim to increase expectations in Indigenous education. The SSI has its genesis in Dr Chris Sarra's in-school programs at Cherbourg State School, that successfully addressed absenteeism, low motivation and poor academic results. Unexplained absenteeism fell by 94 per cent within an 18 month period, and real attendance improved from 62 per cent to 93 per cent between 1999 and 2004. Year 2 literacy improved from zero per cent of children at expected reading levels to 58 per cent over two years from 1998, and Year 7 literacy improved from zero per cent to 81 per cent from 1999 to 2004. The Stronger Smarter Leadership Program for school and community leaders aims to enhance their leadership capacity to achieve school transformation. The Stronger Smarter Learning Communities national project also aims to transform schools through building leadership capacity. The project operates through hubs, where leaders are charged with supporting, developing and challenging staff and community leaders in affiliated schools (QUT 2007; Sarra 2008; SSI 2011).

## Community engagement

Community engagement is a common feature of successful Indigenous programs and initiatives, and is the basis for achieving long-term and sustainable outcomes (Banks 2009; SCRGSP 2011b). It can assist in attracting Indigenous families to ECEC services, and community control and support may help those services recruit and retain Indigenous workers (Batchelor Institute, sub. 46; Benevolent Society, sub. 49; RRACSSU Central, sub. 42).

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In this context, one contributor to this study observed that:

... simply increasing the number, scope and capacity of services targeting Aboriginal and Torres Strait Islander families will not necessarily result in higher levels of access or engagement. (SNAICC, sub. DR279, p. 4)

The importance of community engagement is acknowledged by government. For example, the NPA IECD identifies community engagement as integral to successful implementation of the CFCs. However, recognition of the importance of community engagement may not be enough to ensure its occurrence, and community engagement can take time to be effective (SNAICC, sub. 29). To address this, program evaluation is required so that weaknesses can be identified and addressed.

Even so, community engagement planned for CFCs falls short of Indigenous control that characterises MACS (SNAICC, sub. DR279). Although community engagement rather than control may be appropriate for CFCs in the short-term, particularly in communities where there are insufficient numbers of appropriately skilled Indigenous people, the long-term aim should be for community control. To facilitate this, a range of models should be considered to transition these services. One such model may include short-term shared management with mentoring and professional development for community members, and more autonomous community management supported by a consultative board in the medium-term before community control can be achieved.

## **Improved cultural competency**

High levels of cultural competency in ECEC services, where services respond respectfully and effectively to people of diverse backgrounds in a manner that recognises, affirms and values those individuals, are necessary to ensure engagement with Indigenous families and to enhance child wellbeing and development (Fordham and Schwab 2007; SNAICC 2009; Trigwell 2000).

Some study participants argue that improved cultural competency is required in mainstream services, as few non-Indigenous staff currently have the necessary cultural skills to work with Indigenous children and families (NCAC, sub. 11; SNAICC, sub. 29).

An incentive to improve cultural competencies in mainstream services is provided via the linking of Indigenous cultural awareness and competencies to the NQS. ECEC services will only receive a rating of 'Meeting National Quality Standard' (or above) if they meet (or exceed) all the elements in the NQS. The elements include the requirement that children's cultures provide the foundation of the education program (Quality Area 1), and that staff acknowledge, value and respect diversity

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and difference (Quality Area 4) (ECDWG 2010). The NQS and Early Years Learning Framework (EYLF) require joint-decision making between the Australian Children's Education and Care Quality Authority (ACECQA) and families and communities in the design and delivery of culturally inclusive programs for all children (DEEWR, sub. DR301). However, there appear to be no clear guidelines to define and measure these quality areas, and in-depth consultation, including with Indigenous groups, will be necessary to ensure they are accurate and effective.

The Commission considers that general Indigenous cultural competency in mainstream ECEC services should be encouraged in services that include Indigenous children, and regards the cultural competency requirement for a rating of 'Meeting National Quality Standard' (or above) as appropriate. However, indepth consultation is needed to develop clear and effective Indigenous cultural competency guidelines for mainstream ECEC services with Indigenous children to receive National Quality Standard endorsement. Further, National Quality Standard assessors will need to be appropriately skilled to assess the cultural competency of services.

RECOMMENDATION 14.2

***ECEC services must meet cultural competency standards to receive National Quality Standard endorsement. The Australian Children's Education and Care Quality Authority should:***

- ***consult with relevant stakeholders to develop clear and effective Indigenous cultural competency guidelines for ECEC services with Indigenous children***
- ***ensure National Quality Standard assessors are appropriately skilled to assess cultural competency.***

## **14.5 Policy implications for the ECEC workforce for Indigenous children**

### **Funding for ECEC services for Indigenous children**

Current funding arrangements for Indigenous-focused services may hinder effective workforce planning, as funding is reviewed annually, and even where existing or new applicants meet the funding criteria, funding is not guaranteed (DEEWR ndb). A change from single-year to multiple-year funding arrangements was recommended by the Australian National Audit Office, and though this has yet to be implemented, the Australian Government is considering how best to improve and streamline the administration of these services (ANAO 2010; DEEWR, sub. DR301). Multiple-year funding arrangements may address this problem,

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though Indigenous-focused services with multiple-year funding arrangements should be monitored during the funding period to ensure their ongoing compliance with service guidelines.

Current funding for Indigenous-focused services appears to be inadequate. A significant increase in demand for qualified ECEC staff for Indigenous-focused services, including in remote areas, will result from recent policy changes. The COAG commitment to ensure access to ECEC for all Indigenous 4-year olds, including those in remote communities, will increase the number of ECEC services and therefore demand for qualified staff. Further, demand for qualified staff would be expected to increase more broadly were the NQS to apply to Indigenous-focused ECEC services (recommendation 14.1) as the staff-to-child ratios and qualification requirements are implemented.

The NPA IECD provides more than \$290 million over six years to establish and staff CFCs, and the \$59.4 million 2010-11 Budget measure will contribute to increasing the number of qualified staff in existing Indigenous-focused services. While the planned CFCs will assist in improving access to ECEC services for Indigenous children, additional funding may be needed to attract and retain sufficient staff, and may include funding better pay, conditions, support and professional development, given the existing recruitment difficulties experienced by these services. Further, funding will be required for: a necessarily greater focus on recruiting qualified staff given the generally low qualification levels of existing staff; qualified trainers in regional and remote areas to deliver quality training; and innovative approaches such as the employment of staff to apply the attendance case manager concept.

The additional funding required to attract and retain staff, and to provide quality training, should be made available as a priority to avoid further widening the gap between mainstream and Indigenous-focused services by facilitating the timely implementation of recruitment and training strategies.

#### RECOMMENDATION 14.3

***To meet the goals of the Closing the Gap: National Partnership Agreement on Indigenous Early Childhood Development and the COAG ECEC reforms, more workers, and more highly skilled workers, will be required to work in Indigenous-focused services. To support service-level workforce planning and to provide for greater certainty to facilitate more effective attraction, retention and training of staff in Indigenous-focused services, governments should:***

- ***give priority to the provision of quality ECEC services for Indigenous children, without passing on extra costs to parents***

- 
- *provide multiple-year funding for Indigenous-focused ECEC services.*

While Indigenous children are likely to benefit from good quality ECEC, the benefits do not necessarily persist as they get older. One study participant stated:

It is with increasing concern that we see Australian Aboriginal children who have benefited from a good cultural preschool seemingly fall behind once they reach Year Three. (Dalaigur Pre-School, Kempsey, pers. comm., 2 June 2011)

This experience is widespread. The proportion of Indigenous children who achieved the national benchmarks for reading decreased as they progressed from year 3 to year 5, and the proportion of Indigenous children who achieved the national benchmarks for numeracy decreased as students progressed from year 3 to year 5 and year 5 to year 7 (SCRGSP 2011b).

This suggests that some Indigenous students require transitional support as they begin formal schooling for the benefits of ECEC to be maintained. This is a finding supported by a broader literature showing that underperforming students are unlikely to catch up unless provided with assistance (Ou and Reynolds 2004; Reynolds et al. 2001; Schweinhart 2005). One study participant suggested that additional school staff are likely to contribute to children's ongoing wellbeing and success:

[Australian Aboriginal] ... children ... should be supported up to the end of year two by having at least two teachers in the classroom, one being early childhood trained ... [to] assist in ensuring the emotional wellbeing of the child ... A single teacher in a class of twenty-four cannot do it all. They cannot manage the academic side as well as the emotional side because there is not enough time in the day. Some of our children have high emotional needs and it takes time to assist the child through them, and also work with the family. (Dalaigur Pre-School, Kempsey, pers. comm., 2 June 2011)

Alternatively, programs that assist Indigenous students once they leave preschool could take the form of support for parents and family members to contribute to the children's wellbeing.

FINDING 14.4

*Ongoing support for Indigenous children is necessary as they make the transition to formal schooling, to ensure the benefits they gain from ECEC are maintained as they advance through the education system.*

## **A new workforce policy framework**

The significant impact of policy reform on workforce demand, as well as the importance of access to quality Indigenous-focused ECEC services, suggests a clear

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workforce strategy is required, which includes a focus on attracting and training Indigenous and non-Indigenous workers.

Though some jurisdictions have workforce plans to implement the NPA ECE and the NPA IECD (see NPA bilateral agreements), they vary in their progress and depth. Some are service specific, and there is no overarching strategy to attract Indigenous workers (SNAICC, sub. 29). Several contributors to this study argue for improved workforce planning. For example:

... a flexible policy framework for workforce development is crucial in gearing services for success ... Establish a specific, national planning process for the Aboriginal and Torres Strait Islander early childhood sector. (SNAICC, sub. 29, pp. 7–8)

Due to the challenges of attracting and training Indigenous workers, specific strategies for Indigenous workers will be required. To support transition of Indigenous-focused services to the NQS, building their workforce may need to be prioritised. Such plans should be informed by successful initiatives that include culturally relevant recruitment and selection processes (Benevolent Society, sub. DR161).

An overarching strategy to attract Indigenous and non-Indigenous workers to Indigenous-focused services should be one component of the broader Early Years Development Workforce Strategy (EYDWS) (chapter 11), and address the particular needs of the Indigenous workforce. Though the EYDWS is planned to include specific initiatives to build the Indigenous ECEC workforce, it was not available at the date of publication of this report. The EYDWS should consider relative priorities across ECEC services, including those of Indigenous-focused services, and build on individual workforce plans in each jurisdiction. Without this, services that most need assistance may not get the focus required to adequately support them.

#### RECOMMENDATION 14.4

***As part of the broader Early Years Development Workforce Strategy agreed by COAG, governments should work together to develop a coordinated workforce strategy that builds on workforce plans in each jurisdiction, so that priority is given to placing suitably qualified staff in Indigenous-focused services. This should include a specific plan to build the Indigenous ECEC workforce.***

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## Flexible work arrangements for Indigenous staff

More flexible employment practices may help to attract and retain Indigenous workers. Mainstream services that accommodate the changing circumstances of, and demands on, Indigenous workers demonstrate success in this regard (Hutchins, Frances and Sagers 2009). One example of flexible working arrangements that respond to family and community commitments involves staff receiving sick and personal leave entitlements, but with adjusted pay arrangements for legitimate additional absences (box 14.3).

To attract and retain Indigenous staff, ECEC services may need to consider offering more flexible employment arrangements.

RECOMMENDATION 14.5

***ECEC services should consider offering more flexible employment arrangements, such as access to additional leave with adjusted pay arrangements for legitimate absences, to attract and retain Indigenous staff.***

## Student-centred design

Indigenous students are under-represented in further education, and while they are well represented in VET, the proportion of Indigenous students who successfully complete training is lower than for VET students as a whole. Indigenous students withdraw from VET study at a higher rate, but indicate levels of student satisfaction generally on par with, or higher than, VET students as a whole (PC 2011c).

Training strategies that incorporate student-centred design, where it is delivered using culturally appropriate course design, may result in better educational outcomes for Indigenous students and improve the supply of suitably trained Indigenous staff. In addition, culturally appropriate training that takes into account variations in the way Indigenous workers engage with the demands of the workforce may be a key factor in retaining them (Hutchins, Frances and Sagers 2009).

Contributors to this study support incorporating student-centred design principles to assist in training Indigenous workers, particularly in rural and remote areas (NCAC, sub. 11; SNAICC, sub. 29). Possible support strategies include: training that takes into account both learning style and context, the need for periods of extended release from training, and access to technology; well-resourced student support services; cultural appropriateness; travel and accommodation for students; and support for services backfilling positions while Indigenous workers are

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studying (NCAC, sub. 11). One example of success in the area of student-centred design facilitates Indigenous students studying together in groups. One student-centred design solution is the provision of on-the-job training. On-the-job training may enhance the number of Indigenous staff with qualifications. It does so by delivering training services to Indigenous workers in their community, providing access to those who are reluctant to leave for training due to significant community and family responsibilities. Student-centred design principles are increasingly being incorporated into workforce development strategies (Watson and Axford 2008a). The recent Australian Government initiative to improve the standards of budget-based funded ECEC services incorporates supportive student-focused workforce initiatives (FaHCSIA 2010a).

Although educational institutions sometimes tailor their services to support disadvantaged students, including improving literacy and numeracy skills, this may be inadequate. The National Childcare Accreditation Council considered, in relation to the Indigenous workforce:

... some of the difficulties in ... ECEC training ... are being addressed by a number of educational institutions with student-centred course design, but this needs to be well-resourced to be effective ... (sub. 11, p. 12)

In VET, registered training organisations are required to adhere to principles of access and equity for disadvantaged students, but there is no additional funding for the additional hours that are required to support disadvantaged students (DEEWR 2010b; NVEAC 2010).

#### RECOMMENDATION 14.6

***VET and higher education institutions should apply student-centred design principles to the design and delivery of courses for Indigenous students. Sufficient resources must be provided to ensure Indigenous students are suitably supported throughout their training.***

Study readiness support that takes into account the particular learning needs of Indigenous students is also required. In contrast to Indigenous students in urban areas, many Indigenous students from remote areas require additional support due to their lack of experience in the education system and poor levels of literacy. Although increasingly tertiary institutions and registered training organisations include literacy support for Indigenous students (SNAICC, sub. 29), these may be inadequate to provide the intensive literacy support some Indigenous students require.

For Indigenous workers, priority funding is required for students in remote areas, at levels lower than certificate III, which are pathway qualifications that assist students

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in preparing for work and further study. Study participants suggested that training in remote communities may need to start at the certificate I level, followed by an appropriate certificate II (Batchelor Institute, sub. 46; RRACSSU, sub. 42; SNAICC sub. 29).

RECOMMENDATION 14.7

***To assist Indigenous students to prepare for study to qualify to work in ECEC settings, priority funding from state and territory governments for certificate I and II training will be required for students in remote areas.***

## **Professional development**

### ***Cultural competency training***

To address the need for Indigenous cultural competency the Indigenous Professional Support Units (IPSUs), funded by the Australian Government under its Inclusion and Professional Support Program (chapter 8, box 8.1), provide advice to mainstream ECEC services. Several cultural awareness related elective units are also available to students undertaking VET children's services-related courses. Further, cultural awareness and respectful practice is 'foundation knowledge' for these nationally endorsed training packages and part of the holistic qualification assessment, but not explicitly assessed (CSHISC 2010b).

Despite this, some study participants suggest that current cultural competency training may be inadequate (section 14.4). Further, the approach of offering Indigenous cultural competency training as electives, rather than as part of core training, risks marginalising Indigenous knowledge and practices (NCAC, sub. 11).

One approach to improve cultural competency in mainstream services is to add a cultural competency unit to core qualification requirements in nationally endorsed training packages. However, this approach could further exacerbate the recruitment and training challenges facing the sector. A better approach is to resource the IPSUs to expand cultural competency professional development support for mainstream ECEC services, delivered through the existing Inclusion and Professional Support Program structure (chapter 8).

### ***Indigenous-focused services***

Cultural competency can be difficult to achieve due to complex kinship networks such as extended family, clan and community (Flaxman, Muir and Oprea 2009). These challenges may affect Indigenous-focused services more than mainstream

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services due to the number of Indigenous families they attract. Where training is required to build on more general Indigenous cultural competency training in Indigenous-focused services, professional development might be the best approach. Professional development can be tailored to respond to the different complex kinship networks that exist across communities and services. To deliver tailored cultural competency training for Indigenous-focused ECEC services, additional funding for IPSUs may be required.

### *Support for Indigenous staff*

Some Indigenous staff working in mainstream or Indigenous-focused ECEC services also require ongoing mentoring and other support. Study participants suggested that mentoring of staff can be important to help them adapt to work or study, including in rural communities (Health and Community Services Workforce Council, sub. 56; Western Australian Department of Education, sub. 44). This includes peer support networks for people working in rural and remote areas where contact with peers would otherwise be limited (chapter 9), and mentoring as well as peer support for Indigenous staff training in remote communities to ameliorate some of the problems of distance learning.

Professional development is also likely to be a suitable approach for training Indigenous staff. The main source of professional development for Indigenous-focused children's services is provided by IPSUs (chapter 8). However, the IPSU program may not be able to meet the professional development needs of all Indigenous staff, particularly for remote services with high support needs (Batchelor Institute, sub. 46; RRACSSU Central, sub. 42).

The Australian Government is currently reviewing all elements of its Inclusion and Professional Support Program (chapter 8), including the IPSUs (DEEWR, sub. DR301). The Commission considers that additional funding should be made available to ensure that appropriate professional development and support is provided to Indigenous staff, and that the adequacy of current funding should be included in the review.

#### RECOMMENDATION 14.8

***To achieve the COAG ECEC reform goals, the Australian Government should make available additional funding for Indigenous Professional Support Units so that:***

- ***general Indigenous cultural competency training can be provided to all staff without such competency working in mainstream ECEC services with Indigenous children***

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- *tailored professional development on Indigenous cultural competency can be provided to staff working in Indigenous-focused ECEC services where there is demonstrated need*
  - *the units can provide sufficient professional development and support to Indigenous staff.*



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## 15 The integrated ECD services workforce

### Key points

- The prevalence of integrated early childhood development (ECD) services is increasing. However, the range of services offered and the extent and model of integration differs from jurisdiction to jurisdiction, and between services.
- Different communities have different needs, and community consultation is key to developing an appropriate integrated services model for each location.
- Few data are currently available on the integrated ECD services workforce and future workforce censuses and surveys should address this.
- The challenges in delivering effective integrated ECD services include leadership, information sharing and collaboration.
- The integrated ECD workforce will require additional attributes, skills and qualifications to deliver effective integrated services.
  - Leadership and team building is particularly important, though there is no agreement on what qualifications are required.
  - Additional skill requirements will differ for managers, leaders and the staff delivering integrated ECD services.
  - Additional skills and on-the-job experience will be needed to deliver services effectively to disadvantaged families.
- The different pay and conditions among occupations in integrated ECD services will require a more flexible approach to ensure true integration.
- Staffing of planned integrated ECD services and the requirement for additional attributes, skills and qualifications will exacerbate ECD workforce shortages.
- Skill development options should be tailored to each service to avoid creating additional barriers to staff recruitment and retention.
- Making appropriate VET qualifications available on an optional basis to provide training in leading, managing and working in integrated ECD services may assist the workforce to develop the skills necessary to deliver these services effectively.
- Professional development should be made available, and may need to be extended to workers in non-ECEC components of these services.
- Governments should adequately fund training for integrated ECD services in areas of disadvantage to avoid passing costs on to families.

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Integrated early childhood development (ECD) services are designed to provide families with more seamless access to multiple services. Integrated services can fall along an ‘integration continuum’ from cooperation (with some information sharing between services) to full integration where services are merged (box 15.1).

**Box 15.1 The continuum of integrated service delivery**

*Co-location*

Services are co-located, but operate independently of one another, with no formal sharing of information or resources (services are not integrated). Their co-location can make it easier for families to access a range of services.

*Cooperation*

Low-intensity, low-commitment relationship between parties in which they retain individual autonomy but agree to share information.

*Coordination*

Medium-intensity, medium-commitment relationship between parties in which they retain their individual autonomy but agree to some (time-limited) joint planning and coordination project or service.

*Collaboration*

High-intensity, high-commitment relationship between parties in which they unite under a single auspice, share resources and jointly plan and deliver particular services.

*Integration*

Completely merged parties under the one entity.

*Source:* Adapted from Moore and Skinner (2010).

Potential confusion about the definition of integrated services relates to the concept of co-location. Services that are merely co-located provide families with easier access to the range of services on offer, but are not integrated, lacking linkages between services. Co-location is not necessary for integration. In some circumstances co-location may not be preferable, for example in remote locations where some families find it difficult to access the specific location (Moore and Skinner 2010).

Integrated ECD services are a policy focus in Australia and for governments internationally (box 15.2). Integrated ECD services are favoured as they provide families with easier access to the range of ECD services, reduce transaction costs and prevent families from having to repeatedly ‘tell their story’. Integrated services are seen to be particularly beneficial to disadvantaged families that find it difficult

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to identify and access fragmented services. Other cited benefits of integrating ECD services include earlier diagnosis, referral and access to specialist services (Moore and Skinner 2010). Integrating ECD services can also assist in reaching disadvantaged families that might otherwise avoid those services. One study participant, in relation to reaching Indigenous families, stated that:

[We welcome] these models of integrated and co-located services because they have the potential to develop the appropriate trust relationships and professional skills that are needed ... There is a strong residue of distrust of mainstream services that makes such co-location with trusted services particularly useful for our families. (SNAICC, sub. 29, p. 12)

The recent emergence and increasing prevalence of integrated services suggests that the integrated services model will continue to develop. As these services evolve and respond to the needs of the community, different workforce needs are likely to emerge.

### **Effective delivery of integrated ECD services**

Despite the increasing prevalence of integrated ECD services, there is little shared understanding among service providers, consumers and policymakers about integrated models and their desired outcomes (Siraj-Blatchford and Siraj-Blatchford 2010). One description sees the integrated model as comprising a unified management system, pooled funds, common governance, ‘whole systems approach to training’, and joint planning and performance targets (Horwath and Morrison 2007, in Moore and Skinner 2010). Effective integration also includes policy integration at the whole of government, regional and local planning, and team levels (Moore and Skinner 2010; Press, Sumsion and Wong nd).

There may be several challenges to bring about true service integration. One contributor to this study stated that:

... true integration of services will take considerable dismantling of existing silos of service delivery. (Macquarie University, sub. DR158, p. 14)

No clear consensus appears to exist on the exact nature of the team level integration required to contribute to dismantling existing ‘silos’, and deliver effective integrated ECD services. Teamwork can be characterised as ranging from uni-disciplinary teamwork — where one discipline attempts to meet all the needs of the child (and family) — to trans-disciplinary teamwork (where team members share roles and cross discipline boundaries) (Moore and Skinner 2010).

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### Box 15.2 **Sure Start Children's Centres**

The first Sure Start programs were launched in England in 1999, and focused on service provision in the lowest socioeconomic status areas.

Key features of the Sure Start model are community control, exercised through local partnership boards, and a focus that recognises the importance of family and neighbourhood.

Sure Start Children's Centres offer a different range of services, targeted to the needs of the local community. Core services of all centres include:

- early childhood education and care services, or, at a minimum, advice on childcare options
- child and family health services, ranging from health visitors to breastfeeding support
- advice on parenting, local childcare options and access to specialist services for families such as speech therapy, healthy eating advice or help with managing money
- help for parents to find work or training opportunities, using links to local employment services and training providers.

Many Sure Start Children's Centres also offer additional services, such as parenting classes, English classes, allied health services and smoking cessation advice. Outreach services are provided in disadvantaged areas.

Sure Start has delivered some benefits to children. At 3-years of age, children in Sure Start areas showed better social development and greater self-regulation of behaviour, partly as a consequence of improved parenting. At 5-years of age, there were less beneficial effects on children in Sure Start areas, although mothers showed greater improvement in life satisfaction and less use of harsh discipline, and provided a more cognitively stimulating home learning environment for their children than those in the comparison groups (appendix D).

*Sources:* Department for Children, Schools and Families (2008b); Melhuish, Belsky and Barnes (2010b); Katz and valentine (2009).

Some key structural properties and processes have been identified for effective integrated service systems for vulnerable families. Examples include universal core services that are inclusive and non-stigmatising, multiple single entry points, active community participation, information for parents, and engagement with and empowerment of parents (Moore and Skinner 2010). Without thorough community consultation, services offered may not be wanted or needed, and families may not use them.

Other factors may influence the effectiveness of integrated ECD service delivery. For example, while co-locating ECD services with schools can assist families with

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school children accessing those services, it may be counterproductive among disadvantaged families where there is distrust of mainstream services (SNAICC, sub. 29). On the other hand, co-locating ECD services with schools is a way to gradually introduce families to a school environment in a positive way.

Another example relates to data sharing. Though the success of integrated ECD service delivery will depend on data and information sharing, this may not always occur in practice. Sharing of information can be difficult due to system incompatibility, professional differences, institutional differences or confidentiality regulations. One way to support integrated services would be for services to share the same database, with all services having access to core biographical information, but with different levels of access to service-specific data.

## **15.1 Integrated ECD services**

In considering integrated ECD services, the Commission has focused on early childhood education and care (ECEC), child health and family support services. All states and territories have begun to provide ECD services in an integrated way, but the range of services offered and the extent and model of integration differs from jurisdiction to jurisdiction and sometimes between services.

Some integrated ECD services offer only two ECD services (such as ECEC and child health) and others offer a broader range (such as ECEC, child health and family support services). The range of services differs according to community need. For example, integrated ECD services are more commonly placed in disadvantaged communities, which leads to the provision of particular services (box 15.3).

The exact nature of integration can also differ. Integrated services may differ in their organisation, the way staff are formed into teams, and the processes used. Some integrated services include community connection and engagement with parents. For example, the Best Start program in Victoria is based on building local partnerships and the Schools as Community Centres program in NSW provides a range of activities, delivered in partnership with communities and families. Other services aim to build resilience and social capital in the community, such as Queensland's Early Years Centres (Benevolent Society, sub. 49). Several recent government initiatives will further expand the number of integrated ECD services in coming years (box 15.4).

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### Box 15.3 **Tasmania's Child and Family Centres**

Tasmania's Child and Family Centres are a State funded initiative that aim to improve the health, wellbeing, education and care of young Tasmanians by improving access to a range of services. Available to all local families with young children up to 5-years, they are designed to provide a seamless experience to families to make sure they do not have to 'tell their story over and over'.

The mix of services is tailored to each community and includes parenting programs, child and family health services, and adult education and training. Early childhood education and care may be co-located in the centres, but will not be provided by the Government.

One state government funded Child and Family Centre is currently open in Beaconsfield, and a further seven will open in Clarence Plains, Chigwell, East Devonport, George Town, Ravenswood, Queenstown and Risdon Cove. A further two Australian Government funded Children and Family Centres (CFCs) are to open in Bridgewater and Geeveston.

Consultation with Child and Family Centre communities is currently underway. This process will include identifying the appropriate service mix and developing a shared vision and desired outcomes.

*Sources:* DEEWR (ndi); DoE Tasmania (nd).

### *Integrated Indigenous-focused ECD services*

Indigenous ECD services are more commonly delivered in an integrated setting than mainstream services. For example, Multifunctional Aboriginal Children's Services (MACS) provide a range of services specifically designed to meet the needs of local Indigenous families including long day care (LDC) with at least one other form of ECEC (such as occasional care, outside school hours care or vacation care), along with playgroups, nutrition programs, parent support, or a combination of these (chapter 14). In addition, Children and Family Centres that target the needs of Indigenous families, planned for completion by 2012, will provide integrated ECEC, parent and family support programs, and child health services (box 15.4).

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## Box 15.4 Integrated ECD services

### *Early Learning and Care Centres*

Australian Government funded Early Learning and Care Centres (ELCCs) will provide integrated early childhood education and care in a long day care setting that takes into account the needs of the local community.

Of the total 38 planned to be operational by 2012, six will be autism-specific centres. Where possible the services will be located on the grounds of schools, TAFEs, universities or on common land. Several ELCCs provide a link to a range of other ECD services, such as playgroups and child health services (DEEWR 2011i).

### *Multifunctional Aboriginal Children's Services*

Australian Government funded Multifunctional Aboriginal Children's Services (MACS) provide a range of culturally appropriate services designed to meet the educational, social and developmental needs of local Aboriginal and Torres Strait Islander children.

Service providers are funded on the basis that they operate in areas where access to mainstream or conventional ECEC services is not available or commercially viable, and where there is a need for culturally competent services that meet the needs of the local Indigenous people.

The 33 MACS provide long day care, and at least one other service, such as outside school hours care, nutrition and/or parenting programs.

One key feature of the MACS is community control. Indigenous members of the communities may also be employed in these services (box 14.2) (ANAO 2010; DEEWR ndb).

### *Children and Family Centres*

Australian Government funded Children and Family Centres (CFCs) across Australia will provide integrated early childhood education and care, parent and family support programs, and child health services to suit the needs of the local community.

The 38 CFCs will connect with other services in the community to ensure families can easily access the services they need. The CFCs are targeted at addressing the needs of Indigenous families and their children, and will also provide services to all families in the community.

Of the CFCs, 15 will be located in urban areas and 23 in regional and remote areas. Queensland will have ten centres, New South Wales will have nine, Western Australia and the Northern Territory five each, South Australia four, Victoria and Tasmania two each, and ACT one (box 14.2; table 14.1; DEEWR ndi).

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## Policy reforms

Some integrated services, including Early Learning and Care Centres (ELCCs), are eligible for the Child Care Benefit and therefore fall within scope of the National Quality Standard (NQS). Other integrated services, such as the planned integrated Children and Family Centres (box 15.4) that target the needs of Indigenous families, will be excluded from the NQS, though the Commission has recommended that Indigenous-focused services fall within the scope of the NQS (chapter 14).

## 15.2 The integrated ECD services workforce

As with integrated services themselves, the lack of data prevents a thorough description of the integrated ECD services workforce. The integrated services workforce includes ECEC, child health and family support workers. This workforce faces similar challenges to those sectors, but it also has its own challenges (box 15.5).

The two distinct groups of workers observed in the ECEC workforce broadly apply to integrated ECD services, but with two variations. The first group that includes teachers and service directors, now expands to include child health nurses, and family support specialists (such as psychologists, and social and community workers). These specialists have at least a diploma qualification, and may be in managerial or supervisory roles leading early childhood workers in direct contact with children. The other variation relates to integrated services directors, who are often specialists but have additional responsibilities to drive and lead integration.

The remainder of the workforce, as in ECEC services, work in roles with more direct provision of education and care services to children and include early childhood educators, teachers' aids and trainees. They have lower levels of educational attainment and lower levels of relevant qualifications, and are more likely to work in non-permanent and part-time roles.

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## Box 15.5 Integrated services — perspectives on the workforce

### *General workforce*

... there are ... higher demands and expectations placed on staff working in integrated service settings compared to those working in stand-alone services. (Brotherhood of St Laurence, sub. DR182, p. 8)

... a key challenge for employing this model of service delivery is that the staff qualifications, skills and experience required to operate and manage an integrated early childhood centre successfully are quite different from traditional early childhood skills. (Hume City Council, sub. DR325, p. 8)

[integrated ECD services] are most effectively serviced through employing additional 'front of house' staff to facilitate use of the centre, organise community engagement events and activities, be a point of contact for residents, and ensure the smooth functioning of the centre and services. (Hume City Council, sub. DR325, p. 8)

### *Leadership*

An integration leader must have skills, experience and qualifications in community development, capacity building, staff and facility management, and also needs to have wide ranging knowledge and experience about all the different [early childhood education and care] services. (Hume City Council, sub. DR325, p. 8)

To be successful, the lead agent of Community Family Centres must broker and establish sustainable partnerships with the existing local and mainland community services in the areas of education, care and health. From the experience of the Townsville diocese in relation to the Goodo Centre on Palm Island, sustaining these partnerships is the key to continuity of services, particularly when funding ceases. (Queensland Catholic Education Commission, sub. DR177, p. 2)

The operating environments of these services are complex small business units that require managers to have [a] broad range of skills and expertise. (KU Children's Services, sub. DR188, p. 2)

Limited evidence on the effectiveness of integrated ECD services, and its workforce, is partly due to their recent emergence. One initiative to improve the evidence base is the recently announced Economics of Education and Child Development research program, which will include research into the effects of the new Integrated Children's Centres in Victoria (Melbourne Institute 2011). But information and data on the integrated ECD services workforce remain inadequate, in part because current collections do not separately identify integrated ECD services.

The recent National ECEC Workforce Census is one example where the lack of an identifier prevents analysis of integrated ECD services. As integrated service delivery becomes increasingly common, reliable data on these services will be required to assess their effectiveness in improving outcomes for children. Any such analysis is likely to require an understanding of the workforce in these services.

***Future ECD workforce censuses and surveys should identify integrated ECD services separately to facilitate analysis of the workforce and subsequent policy development.***

## **Service integration and skill requirements**

The composition of the workforce for each integrated service depends on the services offered and the skills and qualifications required to deliver them to the community. This in turn depends on the level of team integration, and the structural properties and key processes in place to deliver integrated services.

For service integration to be effective, several contributors to this study stated that specific core skills are needed to ‘cut across’ ECEC, health and other services (Batchelor Institute, sub. 46; Benevolent Society, sub. 49; RRACSSU Central, sub. 42). The Victorian Government considered that:

It may be of benefit to develop a set of common core skills and knowledge for all early childhood professionals to support the delivery of integrated services, including for those professionals not employed in integrated education and care services. These skills [and knowledge] would complement the specialist skills held by individual workforces and may include family-centred practice, brain development of young children, diversity and cultural awareness and working collaboratively with other professionals. (sub. 87, p. 8)

The Benevolent Society considered that:

... a greater level of experience, skills and qualifications are needed. For instance, staff need skills to work with a broader range of clients and client needs than they would usually encounter in less integrated services (that commonly deal with a narrower range of clients and issues). In turn, they also need an understanding of the processes and philosophy of the services provided by partner agencies. A strong commitment and ability to work collaboratively is crucial. (sub. 49, p. 17)

A basic understanding of early childhood development would also be required of staff to assist early detection, support or referral, or a combination of these. This may be especially so where staff work with children who face multiple health, including mental health, and developmental challenges (NGA 2010). Staff working with disadvantaged children may also require significant on-the-job experience. This suggests that most staff working in integrated services should have at least some of these integrated services skills for those services to be effective. However, the exact skills required of staff would depend on their particular responsibilities.

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Professional staff may require an understanding of early childhood development *and* an understanding of other professions to help bring a common perspective to all workers in integrated centres. On the other hand, early childhood educators and other contact workers would need basic training in early childhood development to assist in early detection — but due to their specific role may have little need, for example, to understand the professional perspective of a psychologist or social worker.

Leaders would also require special core integrated services skills to ensure the successful delivery of integrated services. These skills may be necessary to lead and manage a multi-disciplinary workforce and to facilitate effective collaboration across that service.

Leaders [need to] manage ... diverse service providers to stimulate the vision and motivation within the full range of teams to implement ... seamless service for families. (Council for the Care of Children, sub. 22, p. 7)

Other specific skills required may include negotiating and developing inter-services agreements and single enrolment procedures (Press, Sumsion and Wong nd).

Effective leaders also need to engage the local community. They may need relationship building and facilitation skills. They would also require skills to contribute to regional and local planning and to assess community need and encourage its participation (Benevolent Society, sub. 49).

Leadership arrangements in integrated ECD services are likely to remain problematic. Professionals in these services come from different disciplines, with different professional approaches. In addition, they often have different levels of pay and employment conditions. This can result in leaders of integrated services being paid less, or experiencing inferior conditions, than some of the staff they manage. This has significant potential to generate tensions between staff.

## **Recruitment and retention**

It can be difficult for integrated services to find and attract staff with sufficient experience of working across disciplines (Benevolent Society, sub. 49). Though the difficulties of finding staff with cross-disciplinary experience may be partly due to the relatively recent emergence of integrated services, demand for this experience is likely to increase as services become more integrated.

Study participants identified some factors that may contribute to recruitment and retention difficulties. Due to the nature of integrated services, specialist staff (such as psychologists offering family support, or speech therapists offering targeted

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secondary or targeted and intensive tertiary level support) are often the only qualified member of their profession in the service. This professional isolation makes professional development difficult, and can deter professionals from choosing to work in integrated services. On the other hand, integrated services that apply a team approach may reduce the professional isolation staff sometimes experience in stand-alone services (Kindergarten Parents Victoria, sub. 72). Despite this, while external support and mentoring may address professional isolation in these services, budget constraints can prevent services from providing such support to staff (Mission Australia, sub. 12).

Integrated ECD services commonly offer only part-time positions to professionals, which may be unattractive. This leads to these positions often being filled by new graduates, who move on once they find full-time work elsewhere, contributing to high turnover (Mission Australia, sub. 12). The short-term nature of government funding for many integrated services can also lead to job insecurity, making it difficult to attract and retain staff (Benevolent Society, sub. 49). Further, short lead times on projects can also make it difficult to attract staff within an appropriate timeframe, particularly in rural and remote areas (Benevolent Society, sub. 49).

### *Different pay and conditions between occupations in integrated settings*

Study participants indicated that different pay and conditions between occupations can be a problem for integrated ECD services. The differences occur within ECEC services (chapter 4) and in settings offering a broader range of ECD services (for example, pay and conditions disparities can occur between LDC staff and health workers, such as child health nurses) (Gowrie SA, sub. 40). One participant stated that:

... a key challenge for integrated services is co-ordinating various professionals employed under different industrial instruments, with varying levels of pay and conditions. Without doubt this results in an impediment to true integration. (Kindergarten Parents Victoria, sub. 72, p. 13)

Different pay and conditions and the relative status (or perceived status) of different occupations may lead to tensions. For example, participants in this study stated that:

Team members working in the same service are paid under different conditions, therefore there may be feelings of inequity. (C&K Association, sub. 52, p. 3)

Managers of long day care services report significant challenges when staff receive differential pay rates and conditions of employment as a consequence of different industrial instruments. [This] impacts on the willingness and ability of staff to work in different early childhood services and ... can create friction between different groups of employees, with different status attached to various positions within the one service. (Kindergarten Parents Victoria, sub. 72, p. 8)

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The broad range of services provided and the various occupations represented in integrated ECD services suggests that to avoid recruitment and retention problems, a more flexible approach to the pay and conditions of different occupations will be necessary.

FINDING 15.1

*A more flexible approach to the pay and conditions of different occupations will be necessary to avoid recruitment and retention problems in integrated ECD services and to foster true integration.*

## **15.3 Implications for the integrated ECD services workforce**

### **Training requirements and skill acquisition**

If the effective delivery of integrated services depends on staff having integrated services skills then how can we ensure that staff working in integrated services attain them? While on-the-job experience can be a valuable way of acquiring these skills to work effectively in an integrated ECD service, this may be insufficient to meet the demand for these skills. This may be even more so where services are provided to disadvantaged families, requiring more extensive and specific on-the-job experience. Some integrated services currently report having difficulties finding staff with that experience, and as new integrated services come on stream these difficulties will worsen.

#### *Leaders of integrated ECD services*

Alternative ways for workers in integrated services to gain appropriate integrated services skills include formal higher education or vocational education and training (VET). Some contributors to this study proposed specific higher education qualifications for leaders of integrated services, as is the case in the United Kingdom (Centre for Community Child Health, sub. 81). For example, a specific qualification may be required that covers management and leadership (Gowrie Victoria, sub. 41).

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Another contributor to this study proposed:

... a suite of postgraduate qualifications in integrated early childhood service delivery so that professionals who have different disciplinary backgrounds (for example, child health nurses, child psychologists, social workers, family support workers, child care workers) can be given the opportunity to study across their discipline boundaries, and come to a common understanding on some of the key elements in integrated early childhood service delivery. These people are then positioned to become the leaders in developing new services as they roll out across the country. (Margaret Sims, sub. 2, p. 1)

To this end, the University of New England has proposed establishing several courses (including at the graduate diploma and masters levels) to support the needs of the integrated ECD services workforce (Margaret Sims, sub. 2). The first of these courses is expected to commence in 2012.

#### FINDING 15.2

*Postgraduate studies to support the integrated ECD services workforce, with a particular emphasis on management and leadership, are emerging.*

The increasing prevalence of integrated ECD services may lead to demand for VET to assist leaders and managers of these services to deliver them effectively. This could be particularly useful where higher education is not an option, and where experienced staff show leadership qualities. Though contributors to this study have indicated they regard VET qualifications as insufficient for integrated ECD services leadership (Australian Education Union, sub. DR167; Macquarie University, sub. DR158), higher qualification requirements may be unnecessary and would increase difficulties recruiting suitably skilled and talented staff.

#### *Early childhood educators and other workers in integrated ECD services*

Early childhood educators and other workers may also benefit from formal VET. Given the present difficulties some services have finding staff with integrated services skills, the development of an integrated ECD services qualification to supplement the existing range of early childhood qualifications might be beneficial. For example, a certificate in, or diploma of, integrated ECD services might be introduced for early childhood educators and other workers covering core skills necessary for their work. These qualifications would cover early detection of the need for, and referral to, other services, and the processes and philosophy of integrated services and how to best work in them. These qualifications should be optional, rather than mandatory, for integrated ECD services workers to avoid creating additional barriers to entry into the workforce.

***The Community Services and Health Industry Skills Council should consider introducing optional integrated ECD services VET qualifications:***

- ***that focus on leading and managing integrated ECD services***
- ***for early childhood educators and other workers at the certificate or diploma level in integrated ECD services.***

### ***Professional development***

Professional development has a number of benefits (chapter 10). Professional development can be tailored to the needs of particular integrated ECD services, and may be delivered more quickly than in higher education and vocational education and training contexts. Professional development that delivers training in integrated services skills would also enable integrated services to ‘grow their own’ integrated services skills, rather than recruit from the limited pool of workers with those skills. Further, it may provide a useful way to establish the skill and knowledge gaps of integrated ECD services staff and how best to address them.

The Professional Support Program (chapter 10) that provides workers in child care access to professional development should offer at least introductory integrated services training to ECEC staff in integrated ECD services, including the processes and philosophy of integrated services and how to best work in them. Where possible, this should be complemented with ‘in-house’ knowledge and expertise shared by early childhood professionals (such as child health nurses) to enhance the effectiveness of integrated ECD service delivery. Further, consideration should be given to the provision of similar courses for managers of such services.

***The Professional Support Program should provide introductory professional development in integrated ECD services to ECEC staff working in such services. Consideration should be given to the provision of similar courses for managers of such services.***

For childcare services to be eligible to receive support from the Professional Support Program, they must be approved for the child care benefit (CCB) (chapter 3) or be funded under the budget-based funding program (chapter 14). The recent emergence of integrated ECD services may require the Australian Government to consider if workers in non-ECEC components of integrated ECD services should have access to professional development under the Professional Support Program, particularly as common core skills and knowledge may be

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required of all workers to ensure effective delivery of those services. Further, the Early Years Development Workforce Strategy (chapter 11) should focus on the professional workforce requirements of the integrated ECD sector, and how to meet them.

RECOMMENDATION 15.4

***The Australian Government should consider if workers in non-ECEC components of integrated ECD services should have access to professional development under the Professional Support Program. Further, the Early Years Development Workforce Strategy should focus on the professional development requirements of the integrated ECD services workforce, and how to meet them.***

### **Staffing difficulties and the delivery of integrated ECD services**

The difficulties of recruiting ECEC workers described in previous chapters may be more pronounced for integrated ECD services. If additional integrated services skills are required for effective integrated service delivery, then as new integrated services come on stream, the extra demand for these skills will exacerbate existing recruitment difficulties.

To avoid such difficulties, the right balance between on-the-job experience, higher education, VET, and professional development options will be required.

Making additional integrated services qualifications compulsory before employment in an integrated service would add to current recruitment difficulties. A better approach may be for integrated services to encourage and support staff, once recruited, to undertake additional training. Professional development training may be the most appropriate approach, as it can be tailored to the needs of staff and clients, and be delivered more quickly than more formal education options.

Nonetheless, there are significant costs associated with additional training. Without government support the cost of this training is likely to be borne by the services, which will be passed on to families as higher fees.

The Commission recognises that recruitment difficulties may be more pronounced in areas of disadvantage and in rural and remote locations. The temporary replacement of staff, while workers are in training, is likely to be difficult in these areas due to prevailing workforce shortages. Since passing costs on to disadvantaged families will affect access to services by disadvantaged children, governments need to prioritise existing training expenditure to ensure training costs

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in areas of disadvantage and in rural and remote areas do not require unaffordable fee increases for disadvantaged families.



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## A Public consultation

On 22 April 2010, the Productivity Commission was asked by the Australian Government to undertake a study of the education and training workforce. The study's focus is on the issues affecting the workforces involved in providing:

- vocational education and training (VET)
- early childhood development (ECD)
- schooling.

This is the second phase of the study, which is examining the ECD workforce.

Outlined in this appendix are details relating to consultations through:

- submissions received (table A.1)
- visits (table A.2)
- roundtables (table A.3).

Upon commencement of this stage of the study, the Commission placed notices in the press and on its website inviting public participation in the study. Information about the study was also circulated to people and organisations likely to have an interest in it.

The Commission released an issues paper on 18 November 2010 to assist study participants with preparing their submissions. The draft report was released on 30 June 2011. The Commission received a total of 368 submissions, 87 submissions prior to the release of the draft report, and a further 281 submissions following the release of the draft report (table A.1). One submission was received in identical form from 152 separate parties.

The Commission has also conducted meetings with a range of organisations and individuals, as detailed in table A.2.

Prior to the release of the draft report a roundtable was held in Sydney on 28 February 2011 (table A.3). Following the release of the draft report roundtables were held in Melbourne on 31 August 2011 and Brisbane on 14 September 2011 (table A.3). Further, a roundtable focusing on the economic modelling of the early childhood education and care reforms was held in Melbourne on 28 October 2011.

**Table A.1 Submissions received**

<i>Individual or organisation</i>	<i>Submission number</i>
ACT Government	DR338
Adams, Catina	DR252
Albury City Council	14
Amend, Diana	DR276
Anderson, Jan	DR253
Andrews, Renee	DR208
Angelovska, Jacky	DR97
Armstrong, Marcia	DR264
Aspinall, Diana	33
Association of Neighbourhood Houses and Learning Centres	DR186
Atkinson, Mekael	DR243
Audet, Karen	DR226, DR283
Australian Association of Maternal, Child and Family Health Nurses	DR151
Australian Catholic University	24
Australian Childcare Alliance	71
Australian Childcare Centres Association	DR354
Australian College of Children and Young People's Nurses	45, DR169
Australian Community Children's Services	64, DR153
Australian Education Union	69, DR167
Australian Federation of SPELD Associations (AUSPELD)	19
Australian Nursing Federation (ANF)	80, DR165
Australian Nursing Federation (Victorian Branch)	DR258
Australian Services Union	DR213
Baker, Leonie; Twining, Marney; and Richmond, Rebecca	DR349
Bales, Nola	DR290
Barnes, Julene	DR140
Barnes, Sally	DR355
Batchelor Institute	see Fasoli and Farmer
Beers, Kim	DR231
Benevolent Society	49, DR161
Berkery, Anne	DR339
Blue Gum Community School	DR115
Bosio, Anne	DR170
Bouma, Robyn Ann	DR244
Bradbury, Karen	DR102
Breach, Rayleen and Convery, Heather	DR196
Bristow, Susan	DR117
Brotherhood of St Laurence	32, DR182, DR361
Browning, Angela	DR222
Burgess, Maree	DR236

(Continued next page)

**Table A.1** (continued)

<i>Individual or organisation</i>	<i>Submission number</i>
Busch, Isolde	DR128
C&K Association	52
Calvert, Josephine	DR249
Campbell, Margaret	DR197
Carr, Jennifer	DR246
Carrazzo, Yvette	DR348
Carroll, Pamela	DR319
Castles, Hannah	DR254
Catholic Education Office of Western Australia	65
Cavanagh, Bernadette	DR324
Centre for Community Child Health	81
Chadwick, Dawn	DR191
Charles, Heather	DR230
Child Australia	78, DR168
Child Care National Association	60, DR210
Child Health: Researching Universal Services (CHoRUS) Study	DR159
Childcare Association of WA	73
Children, Young People and Families Health Services, Hunter New England Local Health District	DR122
City of Casey	35, DR172
City of Greater Geelong	20
City of Monash	10
City of Salisbury	DR178
Clewett, Kylie	DR260
Cochrane, Catriona	DR294
Community Child Care	63, DR212
Community Child Care Co-operative	53, DR183
Community Connections Solutions Australia	75, DR228
Conn, Ashleigh	DR269
Connect Child and Family Services	6
Connolly, Kerry	DR123
Constantinides, (Dr) Sophia	DR358
Coolah Preschool Kindergarten	DR93
Cormican, Maureen	DR278
Corser, Robyn	DR218
Coulter, Rebecca	DR306
Council for the Care of Children	22
Country Women's Association of NSW	DR155

(Continued next page)

Table A.1 (continued)

<i>Individual or organisation</i>	<i>Submission number</i>
Court, Bernice; Doyle, Anna; Marcollo, Janet; Turvey, Janet; Crawley, Deidre; French, Judith; Nave, Julianne; Bauer, Henriette; Bell, Elizabeth; Humphrey, Marilyn; Watts, Val; Prust, Maria; and Parr, Barbara	DR312
Cox, Jane	DR350
Cronin, Katie	DR266
Cronulla Pre-School	48, DR95
Crouch-Hall, Jillian	DR221
Curran, Gordon M.	DR90, DR94
Dajczer, Bronwyn	DR132
Darwin City Council	47
Davies, Meredyth	DR241
Davine, Monica	DR255
Delaney, Leonie	DR109
Department for Communities (WA)	59
Department of Education, Employment and Workplace Relations (DEEWR)	86, DR301
Disability Services Commission	76, DR364
Djalarangi Child Care Centre	DR91
Dobell, Louise	DR327
Docker, Joanne	DR223
Drew, Marian	DR320
Dykes, Ann	DR144
Dynon, Anne	DR134
Early Childhood Australia (NSW Branch)	DR190
Early Childhood Intervention Australia	DR157
Early Childhood Intervention Australia (NSW Chapter)	25
Early Childhood Teacher Education Council NSW (ECTEC)	DR162
Edith Cowan University	27
Elliott, Professor Alison (University of Sydney)	70
Ellis, Carole	DR342
English, Anne-Marie	DR291
Ethnic Communities Council of Queensland	58
Family Day Care Australia (FDCA)	61, DR211
Famularo, Lani	DR103
Farrant, Lindy	DR99
Fasoli, (Dr) Lyn and Farmer, Rebekah (Batchelor Institute of Indigenous Tertiary Education)	46
Ferguson, Elizabeth	DR131
Fernandez, Wendy Lye	DR300

(Continued next page)

**Table A.1** (continued)

<i>Individual or organisation</i>	<i>Submission number</i>
Ferrie, Anne	DR341
Finlayson, Karen; MacGregor, Fiona; Sheppard, Katrina; and Kanis, Rebecca	DR194
Fisher, Ann-Maree	DR209
Fitzpatrick, Angela	DR224
Fry, Elaine	DR285
Funnell, Lynette	DR259
Furness, Andrea	DR107
Gardiner, Mary	DR314
Garnet, Cynthia	DR235
Gebhart-Jones, Renate	DR271
Geddes, Leanne	DR219
Geyle, Kathryn	DR351
Gibbs, Rosie	DR215
Gilmour, Jacqui	DR316
Goddard, Carol	DR250
GoodStart Childcare	34
Government of South Australia	66, DR337
Gowrie SA	40, DR105
Gowrie Victoria	41
Gr8 START	54
Gregory, Wendy	DR368
Grant, Patricia M.; Lea, Michelle; Lees, Helen M.; Rinaldi, Margaret; Edwards, Marie; Tobin, Jenny; Garrett, Margaret; Tessier, Maureen; Barrett, Patricia; Homes, Marian; McKenzie, Sandy; and McGowan, Kate	DR200
Gratton, Kathy	DR288
Greenhills Child Care Centre	DR92
Griffith University, Logan Beaudesert Health Coalition (Queensland Health), and Communities for Children	30
Grimsdell, Lily	DR282
Grove, Cathy	DR322
Growth and Development Clinic, Mater Health Services	DR367
Gutierrez, Irma	DR370
Harden, Deni	DR272
Harris, Angela	DR345
Harrison, Bernadette	DR343
Harrison, Susan	DR331
Health and Community Services Workforce Council	56
Henderson, Binky	DR297
Hewett, Catherine	DR138

(Continued next page)

Table A.1 (continued)

<i>Individual or organisation</i>	<i>Submission number</i>
Hickman, Moira	DR225
Hills, Wilma	DR113
Hobsons Bay City Council	DR137
Hore, Christine	DR127
Horgan, Lisa	DR275
Houston, Annette	DR286
Houston, Susie	DR313
Houting, Neeltje	DR296
Hume City Council	DR325
Humphries, Caroline	DR108
Ince, Gloria	7
Independent Education Union of Australia	50, DR163
Institute of Early Childhood, Macquarie University	DR158
International Women's Federation of Commerce and Industry	DR189
Irving, Jennifer	DR347
Ive, Carolyn	DR310
Jackson, Dianne	DR239
Jessup, Liz	DR192
Jewell, Pat	85
Johnston, Jennifer	DR277
Joyce, Belinda	DR303
Kearns, Karen (International Child Care College)	8
Kessler, Cheryl	DR334
Killingsworth, Christine	DR292
Kindergarten Parents Victoria (KPV)	72
King, Nicole	DR129
KU Children's Services	26, DR188
La Trobe University	DR171
Lady Gowrie Tasmania	82
Langdon, Catherine	DR318
Lauder, Wendy	DR333
Lay, Maria	DR147
Lee, Mee Choo	DR311
Lewis, Mary	DR315
Lindsay, Gai	DR216
Liquor, Hospitality and Miscellaneous Workers Union (LHMU)	55
Loadsman, Jan	DR261
Long, Julie	DR295

(Continued next page)

**Table A.1** (continued)

<i>Individual or organisation</i>	<i>Submission number</i>
Loschiavo, Rosemary	DR256
Lowden, Roslyn	DR106
Maciver, Jill	DR234
Mackay, Fionna	DR289
Mann, Liz	DR309
Mason, Michelle	DR143
Maternal and Child Health Nurses, Eastern Victoria	DR201
Maternal and Child Health Nurses, Maribyrnong City Council	DR206
Maternal and Child Health Nurses, Melton Shire Council	DR203
Maternal and Child Health Nurses, Wyndham City Council	DR202
Mathes, Janet	DR126
McDonough, Jane	DR233
McEwan, Jan	DR146
McGregor, Anna	DR240
McIntyre, Carol	DR323
McKinnon, Mary	DR125
McLaren, Lee-Anne	DR284
McSweeney, Sandra	DR273
Meehan, Vanessa	DR299
Mission Australia	12
Mobile Children's Services Association of NSW	38, DR179
Mogg, Sandra	DR118
Moir Shire Council	DR142
Monagle, Roslyn	DR298
Moreland City Council	DR154
Moult, Fiona	DR227
Municipal Association of Victoria	68, DR156
Music Council of Australia	51, DR214
Name withheld	DR262
Name withheld	DR281
National Centre for Social and Economic Modelling (NATSEM), University of Canberra	39
National Centre for Vocational Education Research (NCVER)	5
National Childcare Accreditation Council (NCAC)	11
National Out of School Hours Services Association (NOSHSA)	DR356
Network of Community Activities	DR359
Newell, Jennifer	DR267
NIFTeY Australia	37

(Continued next page)

Table A.1 (continued)

<i>Individual or organisation</i>	<i>Submission number</i>
NIFTeY NSW	36
Northcott Disability Services	18
Northern Territory Outside School Hours Care Association	DR362
NSW Child and Family Health Nursing Clinical Nurse Consultant Network	DR164
NSW Child and Family Health State-wide Services Network	DR148
NSW Children's Services Forum	23
NSW early childhood teachers (multiple submitters)	DR199
NSW Family Day Care Association	DR185
NSW Government	79, DR326
NT Department of Health	DR365
O'Brien, Jacqui	DR145
O'Doherty, Ann	DR237
O'Shannessy, Maria	DR293
Occasional Child Care Association NSW/ National	DR366
Occasional Child Care Australia	DR116
OSHCsa	DR363
Owen, Catherine	DR340
Palk, Elizabeth Fraser	DR187
Park, Helen	DR353
Pekin, Mary	DR232
Penrith City Council	74
Playgroup Queensland	9
Port Phillip City Council	DR205
Postill, Sarah	DR346
Povah, Rhonda	DR265
Power, Ann	DR136
Pyke, Sherryn (Customised Training Pty Ltd)	DR150
Pywell, Carol	DR308
Queen Elizabeth Centre (QEC)	DR174
Queensland Catholic Education Commission	13, DR177
Queensland Children's Activities Network	84, DR357
Queensland Commission for Children and Young People and Child Guardian	DR184
Queensland Government	DR88, DR360
Regional and Remote Aboriginal Children and Services Support Unit (RRACSSU Central)	42
Robinson, Kerri	DR130
Rogers, Heather	DR198
Rogers, Helene	DR89

(Continued next page)

**Table A.1** (continued)

<i>Individual or organisation</i>	<i>Submission number</i>
Rowe, Andrea	DR352
Rutherford, Valerie	DR344
Ryan, Kathryn	DR302
Sayer, Jo	DR274
SCH Network Child and Family Health Team	DR204
Schmitt, Anne	DR335
Schneider, Robert	DR104
Scott, Carol	DR305
SDN Children's Services	31
Secretariat of National Aboriginal and Islander Child Care (SNAICC)	29, DR279
Sewell, Elissa	DR336
Shahwan-Akl, (Assoc Prof) Lina	DR121
Shand, Christine	DR307
Sheean, Glenyce	DR251
Sheeran, Leanne	DR195
Shewan, Jennifer	DR245
Sims, (Prof) Margaret; McCrea, (Dr) Nadine; Green, (Dr) Nicole; Edwards, (Dr) Helen; and Noone (Dr) Genevieve (University of New England)	DR100
Sims, Margaret	2
Singleton, Elizabeth	DR238
Slykerman, Allison	DR263
Smith, Anne	DR317
Smith, Kim	DR207
Smyth, Renee	DR270
Sorensen, Susan	1, DR96
Southern Cross University and Early Childhood Australia (NSW), North Coast Branch	16, DR176
Speech Pathology Australia	DR181
Spitzkowsky, Marcia	21
Stephens, Helen	DR287
Stiller, Eva	DR332
Strahan, Libby	DR257
Stuart, Deidre	DR329
Swales, Anita	DR229
Tasmanian College of Child and Family Health Nurses	DR149
Tasmanian Government	77
Tasmanian Ministerial Child Care Advisory Council (MCCAC)	83, DR173
Tate, Fionnuala	DR220

(Continued next page)

**Table A.1** (continued)

<i>Individual or organisation</i>	<i>Submission number</i>
Teng, Linda	DR248
Thomson, Denise	DR111
Thomson, Kristin	DR328
Toirkens, Kathy	DR280
Townsville Multicultural Support Group	28
United Voice	DR166, DR268
UnitingCare Children, Young People and Families	62
University of Newcastle Early Childhood Programs	DR160
van der Oord, Trish	DR120
van Langenberg, Margaret	DR217
Victorian Association of Maternal and Child Health Nurses	15, DR152
Victorian Children's Services Association	43
Victorian Family Day Care Educators Association	DR180
Victorian Government	87
Vision Australia	57
Wallis, Angela	DR242
Wallsend Community Preschool	DR101
Walmsley, Judi	DR119
Walsh, Prue (Play Entertainment Consulting Pty Ltd)	3
Warburton, Tracie	DR124
Watson, Helen	DR139
Wayland, Margaret	DR193
Webster, Lisa	4
Westall, Carolyn	DR133
Western Australian Department of Education	44
Wheeldon, Robyn	DR135
Whitehead, Sue	DR321
Wickham, Shona	DR110
Wilson, Elinor Nan	DR112
Wilson, Sally	DR98
Women's Electoral Lobby	17
Wood, Diana	DR369
Wyndham City	DR175
Yeo, Kristy (Parkes Early Childhood Centre)	67
Youl, Nicole	DR141
Young, Susan	DR330
Zimmermann, Sonia	DR114

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**Table A.2 Visits**

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*Individual or organisation*

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**ACT**

Department of Community and Family Services  
Department of Education and Training (ACT)  
Department of Education, Employment and Workplace Relations (DEEWR)  
Independent Education Union of Australia  
The Treasury

**New South Wales**

Community Child Care Co-operative  
Dalaigur Preschool and Children's Services  
Durri Aboriginal Medical Service  
Family Day Care Australia  
Hastings Early Intervention Program  
Kempsey Children's Services  
Kempsey Family Day Care and In-home Care  
Network of Community Activities  
Port Macquarie Health Campus – Early Childhood Service  
St Joseph's Family Services  
UnitingCare Children, Young People and Families

**Northern Territory**

Batchelor Institute of Indigenous Tertiary Education  
Child Australia NT  
Darwin City Council  
Menzies School of Health Research  
NT Department of Education and Training  
NT Department of Health and Families

**Queensland**

C&K Association  
Department of Education, Employment and Workplace Relations (Queensland office)  
Department of Education and Training  
Health and Community Services Workforce Council

**South Australia**

Children, Youth and Women's Health Service  
Department of Education and Children's Services  
Gowrie Training Centre  
Office of the Training and Skills Commission (Department of Further Education, Employment, Science and Technology)

**Tasmania**

Department of Education — Child and Family Centres  
Department of Education — Child Care Unit  
Department of Health and Human Services

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Table A.2 (continued)

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*Individual or organisation*

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**Victoria**

Australian Council of Trade Unions (ACTU)  
Australian Education Union  
Australian Nursing Federation (ANF)  
Australian Research Alliance for Children and Youth (ARACY)  
Australian Services Union (ASU)  
Australian Skills Quality Authority (ASQA)  
Centre for Community Child Health  
Department of Education and Early Childhood Development (DEECD)  
Early Childhood Australia  
Kindergarten Parents Victoria (KPV)  
Liquor, Hospitality and Miscellaneous Workers Union (LHMU)  
Municipal Association of Victoria (MAV)  
Secretariat of National Aboriginal and Islander Child Care (SNAICC)  
United Voice  
Victorian Registration and Qualifications Authority (VRQA)

**Western Australia**

Association of Independent Schools of Western Australia (AISWA)  
Catholic Education Office of Western Australia  
Centre for Indigenous Australian Education and Research, Edith Cowan University  
Child and Adolescent Community Health, Department of Health  
Childcare Association of WA  
Department for Communities  
Department of Education  
Institute for Child Health Research (ICHR)

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**Table A.3 Roundtables**

<i>Name of invited participant</i>	<i>Organisation</i>
<b>Sydney — 28 February 2011</b>	
Catherine Harrison	Australian Catholic University
Margie Maher	Charles Darwin University
Jennifer Sumsion	Charles Sturt University
Kay Ganley	Charlton Brown
Jaye Kinley	GoodStart Training College
Sarah Martin	GoodStart Training College
Kaye Colmer	Gowrie SA
Gilda Howard	Gowrie Victoria
Rhonda Hadley	Holmesglen
Marianne Fenech	Institute of Early Childhood, Macquarie University
Colleen Hayward	Kurungkurl Katitjin, Edith Cowan University
Joce Nuttall	Monash University
Deborah Brennan	Social Policy Research Centre, University of New South Wales
Karen Noble	University of Southern Queensland
Alison Elliot	University of Sydney
<b>Melbourne — 31 August 2011</b>	
John Cheshire	Brotherhood of St Laurence
Barbara Romeril	Community Child Care Association Victoria
Karen Weston	Department of Education and Early Childhood Development
Joanna Stanion	Department of Education, Employment and Workplace Relations
Sally Cooper	Family Day Care Victoria
Sandra Prouse	FKA Children's Services
Sue Hart	Gowrie Victoria
Helen Vassallo	Jindi Woraback Children's Centre, St Albans
Michelle Walker	Jindi Woraback Children's Centre, St Albans
Emma King	Kindergarten Parents Victoria
Leanne Giardina	National Out of School Hours Association
Robyn Munro-Miller	National Out of School Hours Association
John Forster	Noah's Ark
Carla Yeates	Occasional Child Care Association
Emma Sydenham	Secretariat of National Aboriginal and Islander Child Care
Melissa Coad	United Voice
Tamika Hicks	United Voice
Trish Brown	UnitingCare Children, Young People and Families

(Continued next page)

Table A.3 (continued)

<i>Name of invited participant</i>	<i>Organisation</i>
<b>Brisbane — 14 September 2011</b>	
Judy Atkinson	Australian Childcare Alliance
Peter Blee	Australian Skills Quality Authority
Gillian Potter	Bond University
Melissa Comerford	C&K Pre-schooling Professionals
Barrie Elvish	C&K Pre-schooling Professionals
Chris Buck	Child Care National Association
Jacky Purcell	Child Care National Association
Lisbeth Kelly	Department of Education, Employment and Workplace Relations
Tonya Rooney	Department of Education, Employment and Workplace Relations
Pam Cahir	Early Childhood Australia
Eleanor Donovan	GoodStart Childcare
Sarah Martin	GoodStart Childcare
Greg Scherf	GoodStart Childcare
Jennifer Cartmel	Griffith University
Christine Cooper	Independent Education Union of Australia
Miriam Dunn	Independent Education Union of Australia
Chris Legg	KU Children's Services
Kylie Brannelly	National Out of School Hours Services Association
Lisa Love	Queensland Office for Early Childhood Education and Care
<b>Melbourne — 28 October 2011</b>	
Lachlan Smirl	Deloitte Access Economics
Andy Weiss	Deloitte Access Economics
Miriam Daley	Department for Education and Child Development (South Australia)
Russell Ayres	Department of Education, Employment and Workplace Relations
Ngaire Hosking	Department of Education, Employment and Workplace Relations
Murray Kimber	Department of Education, Employment and Workplace Relations
Damien McGrath	Department of Education, Employment and Workplace Relations
Matthew Ryan	Department of Education, Employment and Workplace Relations
Celia Murphy	Department of Family & Community Services
Guyonne Kalb	Melbourne Institute of Applied Economic and Social Research
Zahra Matthews	The Treasury
Brendan McKenna	The Treasury
Anu Rammohan	University of Western Australia

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- 2007a, *Australian Social Trends*, Cat. no. 4102.0, Canberra.
- 2007b, *Population Distribution, Aboriginal and Torres Strait Islander Australians, 2006*, Cat. no. 4705.0, Canberra.
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## B Early childhood development data

Workforce strategies and programs need to be regularly monitored and evaluated for their cost effectiveness — whether they are achieving their objectives at the least possible cost. This ongoing monitoring and evaluation requires data on which sound evidence-based decisions can be made. This appendix describes the major data requirements for workforce planning (section B.1) and the existing early childhood development (ECD) data collections (section B.2). It then identifies some of the limits to the existing data collections (section B.3). The appendix then concludes with a discussion of the likely future improvements to ECD data (section B.4).

### B.1 Which data to collect?

Under the National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care (NQA), Australian governments have agreed to develop an early childhood education and care (ECEC) workforce strategy (see chapter 11).

Data that are integral to the development, monitoring and review of an ECEC workforce strategy include:

- the number of workers, their skills and their location in the wider workforce, so that it is possible to understand where there are labour gaps, and why current and prospective ECD workers join, stay and depart from the sector
- the costs of ECD strategies and programs, so that it is possible to assess their cost effectiveness, including costs to government, the private sector and households
- the motivations and capacity of parents to access ECD services, so that it is possible to assess which ECD services households use as a result of a policy change. This in turn allows a more thorough analysis of likely labour requirements
- data to understand the benefits of ECD policies. This is important in identifying which children are most likely to benefit from ECD interventions, thereby helping develop targeted workforce strategies.

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## B.2 What are the existing data collections?

### Workforce planning data

There are several collections relevant that assist in understanding the profile of the ECD workforce. These include the:

- National Early Childhood Education and Care Workforce Census (National Workforce Census)
- Census of Population and Housing
- higher and vocational education and training statistics held by the Department of Education, Employment and Workplace Relations (DEEWR) and the National Centre for Vocational Education and Research (NCVER).

#### *National Early Childhood Education and Care Workforce Census*

The National Workforce Census collection covers all services that receive child care benefit (CCB) as well as preschools. The last census was undertaken between June and July 2010, and data are available for approximately 80 per cent of the 16 400 services, 139 200 employees and 989 500 children in the sector.

The National Workforce Census replaces the earlier Australian Government Census of Child Care Services and the Australian Government Child Care Provider Survey collections, though it shares a number of common data elements.

It consists of two collections. The first (part I) describes the characteristics of ECEC establishments, their staff and children. The census form was completed by the ECEC service provider. The second (part II) describes in detail the ECEC workforce and was completed by the ECEC workers themselves.

Part I of collection contains data on:

- the number of places for which the service is licensed
- the maximum number of children, by age group, that attend on each day of the week
- the opening and closing times
- the total number of children that attended the service during the reference week, including children that are Indigenous or from non-English speaking backgrounds, by age group

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- the total number of children that attended the service during the reference week that had a special need (such as additional assistance, communication, mobility or self care)
  - whether the service provided a preschool program, and how many children were offered preschool services
  - whether the centre had a qualified preschool teacher
  - the maximum number of hours that the centre provided a preschool program.

Part I of the collection also includes data on ECEC employees, including:

- their age and gender
- their paid or unpaid status
- their main type of work (primary contact, other contact, management or administration, other work) and their main role (director, group leader or teacher, home carer, assistant or aide, other contact worker, other worker)
- whether the employee was part of a preschool program
- their employment status (employee, self-employed) and actual hours worked
- their years of experience in ECEC, with the service provider, and in their current role
- their highest level of qualification, whether they are currently enrolled in a qualification, and recent professional development experience.

An illustration of the type of data that are available is given in table B.1. It is apparent that the majority of services are located in major cities and comprise long day care (LDC) centres, and to a lesser extent outside school hours care services and preschools.

**Table B.1 Number of CCB-approved childcare services, preschools and children, by remoteness classification, 2010<sup>a</sup>**

<i>Service type</i>	<i>Major City</i>	<i>Inner regional</i>	<i>Outer regional</i>	<i>Remote and very remote</i>	<i>Remoteness not allocated<sup>b</sup></i>	<i>Aust</i>
<i>Number of services</i>						
LDC	4 259	982	444	96	na	5 781
FDC	na	na	na	na	329	329
IHC	na	na	na	na	53	53
Occasional care	55	23	7	–	na	85
OSHC	2 285	581	245	36	na	3 147
Preschool	2 680	1 012	718	399	na	4 809
Vacation care	1 470	433	225	28	na	2 156
Total responses	10 749	3 031	1 639	559	382	16 360
<i>Number of children</i>						
LDC	399 310	99 771	39 001	5 457	na	543 539
FDC	na	na	na	na	93 738	93 738
IHC	na	na	na	na	3 514	3 514
Occasional care	3 982	1 683	736	–	na	6 401
OSHC	174 438	24 064	11 853	1 158	na	211 514
Preschool	na	na	na	na	na	na
Vacation care	97 883	21 776	10 155	933	na	130 747
Total responses	675 614	147 295	61 744	7 549	97 252	989 453

<sup>a</sup> Remoteness classification based on the Australian Standard Geographical Classification. <sup>b</sup> FDC and IHC were not allocated to a remoteness category, as these services can span more than one category. **LDC** Long day care, **FDC** Family day care, **IHC** In-home care, **OSHC** Outside School Hours Care. **na** Not applicable, not collected or not calculated. – Nil or rounded to zero.

Source: Productivity Commission estimates based on unpublished DEEWR data from the 2010 National ECEC Workforce Census.

An illustration of the data available on the ECEC workforce is given in table B.2. Approximately 79 000 workers, or about 58 per cent of the workforce, are qualified to a certificate IV or lower qualification level.

**Table B.2 Number of staff by employment role and highest level of early childhood education and care qualification, 2010**

	<i>Principal, director, coordinator, teacher in charge</i>	<i>Group leader, teacher</i>	<i>Family day care or in-home care educator</i>	<i>Assistant, aide</i>	<i>Other contact worker</i>	<i>Non-contact worker</i>	<i>Not answered, or not applicable</i>	<i>Australia</i>
Bachelor, 4 years	4 682	6 150	291	1 385	383	124	105	13 120
Bachelor, 3 years	1 969	2 544	162	654	209	61	38	5 638
Advanced diploma, diploma	7 228	16 475	1 514	5 470	1 458	423	97	32 665
Certificate III or IV	1 078	4 775	4 569	22 547	1 686	393	99	35 147
Less than certificate III	199	322	423	1 718	327	230	15	3 235
No ECEC qualification	1 179	1 884	5 152	24 907	3 620	4 169	143	41 054
Attainment not known	195	306	704	2 198	401	235	6	4 045
Total	16 531	32 455	12 816	58 879	8 085	5 636	503	134 905

*Source:* Productivity Commission estimates based on unpublished DEEWR data from the 2010 National ECEC Workforce Census.

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Part II of the collection includes data on:

- whether the individual held an ECEC or other teaching qualification and its level (certificate level I or II through to postgraduate degree)
- the worker's highest completed non-teaching qualification
- the age-group of children that the staff member works with
- the main type of work (primary contact, other contact, management or administration, other work) and main role of employee (director, group leader or teacher, home carer, assist or aide, other contact worker, other worker)
- the worker's years of experience in ECEC, with the service provider, and in their current role
- the worker's employment status (such as employee, self-employed), employment arrangement (such as full- or part-time permanent, fixed-term contract and casual), and actual hours worked (such as paid hours, paid overtime, unpaid overtime)
- a number of responses regarding the worker's level of satisfaction, views on the pay and conditions of working at the job
- whether the worker has more than one job
- future work intentions (seeking to depart) and the reasons for intended departure
- views about the career in the ECEC sector
- recognition of prior learning for obtaining qualifications
- take-home income.

### *Census of Population and Housing*

The Australian Bureau of Statistics (ABS) Census of Population and Housing (cat. no. 2901.0) (the Census) is a rich dataset that covers a range of economic, social and demographic characteristics of Australia's population. The Census is collected every five years, with the most recent available being that collected in 2006.

Data in the Census can be used to illustrate aspects of Australia's workforce that includes, but is not limited, to the levels of qualification, fields of study of qualifications, labour force status (employed, unemployed or out of the workforce), and if employed, occupation and industry of employment.

An illustration of the type of data that might be extracted from the Census is shown in table B.3. The table describes the distribution of potential ECEC workers throughout the community. Persons with children's services qualifications appear to have higher rates of unemployment (around 4.9 per cent at the time of the Census) compared to those with primary school teaching qualifications (1.4 per cent) — although this does not make any allowance for the likelihood that some workers might choose to drop out of the labour force altogether.

Furthermore, the Census includes a variety of sociodemographic variables that might assist in describing the workforce participation of individuals, such as income, age, gender, marital status, language spoken at home, location and remoteness classification of usual place of residence. This makes the dataset a potentially very useful tool for analysing an individual's choice to join the ECD workforce.

**Table B.3 Number of persons, by field of study of ECEC qualification and labour force characteristics, 2006**

<i>Labour force status and industry of employment</i>	<i>Children's services<sup>a</sup></i>	<i>Early childhood education<sup>b</sup></i>	<i>Primary education<sup>c</sup></i>
Employed			
Childcare services <sup>d</sup>	25 190	3 241	1 106
Preschool sector <sup>e</sup>	4 703	4 731	853
Primary school sector <sup>f</sup>	2 155	580	73 463
Employed elsewhere <sup>g</sup>	23 869	10 855	37 630
All employed <sup>h</sup>	55 917	19 407	113 052
Unemployed <sup>i</sup>	2 861	429	1 584
Not in labour force	17 781	8 107	41 170
Other <sup>j</sup>	355	131	553
Total	76 914	28 074	156 359
Unemployment rate <sup>k</sup> (per cent)	4.9	2.2	1.4

<sup>a</sup> Australian Standard Classification of Education (ASCED) Non-School Qualification: Field of Study (QALFP) 070101. <sup>b</sup> ASCED QALFP 070103. <sup>c</sup> ASCED QALFP 090503. <sup>d</sup> Australian New Zealand Standard Industry Classification (ANZSIC) 8710. <sup>e</sup> ANZSIC 8010. <sup>f</sup> ANZSIC 8021. <sup>g</sup> Includes persons employed in all other industries with qualifications in children's services, early childhood education or primary education. <sup>h</sup> Includes persons employed on a part-time or full-time basis. <sup>i</sup> Includes unemployed looking for part-time or full-time work. <sup>j</sup> Includes overseas visitors in Australia on Census night. <sup>k</sup> Defined as the number of unemployed divided by the number of persons in the labour force.

Source: ABS Census 2006 (TableBuilder).

### *Data on ECD education and training*

The two principal data collections that describe the education and training that takes place each year in Australia's tertiary education sector include the higher education

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statistics of DEEWR and the vocational education and training (VET) statistics of NCVER.

Both DEEWR and NCVER maintain statistical collections of the number of enrolled students, the student load undertaken in a given year, and the number of courses completed. This includes the number of students studying towards early childhood qualifications. The DEEWR dataset covers Australian universities and the NCVER dataset covers government-funded VET, including privately operated providers (to the extent they are publicly funded) (NCVER 2009).

From these collections, it is possible to obtain time-series data on the number of teachers enrolled and graduating in early childhood education by jurisdiction, Indigenous status and non-English speaking background.

While these collections provide a detailed description of the number of VET and higher education graduates with ECEC, family support or child health qualifications, they do not provide any indication on which sector the graduates eventually find work.

#### *Nursing and Midwifery Labour Force collection*

The Nursing and Midwifery Labour Force Collection is a dataset of the demographic and employment characteristics of nurses and midwives who were registered or enrolled in Australia. The data are obtained through an annual survey undertaken in conjunction with professional registration.

Data from the survey are supplemented by higher education data from DEEWR, NCVER, and migration and long-term arrivals and departures data from the ABS (ABS 2009d).

The collection contains data on:

- whether the registered or enrolled nurse is employed in nursing, on extended leave, looking for work in nursing (whether they are employed elsewhere or not employed), or not in the labour force (because they were overseas, employed elsewhere, or not employed)
- demographic characteristics such as age, gender, Indigenous status
- country of first qualification
- average hours of work, and part- and full-time status
- remoteness
- sector of employment (public or private)

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- clinical area of nursing (including family and child health)
  - field of qualification (including family and child health)
  - the extent of nurse training (by commencements and completions)
  - the level of nurse migration (including arrivals and departures, for long-term residents, permanent settlers and long-term visitors).

### *Community services data*

There is no ongoing data collection for the family support workforce. A study commissioned by the Community and Disability Services Ministers' Advisory Council (Martin and Healy 2010) brought data together from a variety of sources into a single report on community services. Family support was classified as part of the general community services workforce, which provides social support and assistance services directly to children and families, except for housing or supported accommodation or crisis services (Martin and Healy 2010).

The broader collection comprises two collections — an employer collection and a workforce collection. The employer collection includes data on:

- sources of funding for the employing service
- vacancy rates and suitability of recent hires (Martin and Healy 2010).

The workforce collection comprises data on:

- the number of workers, in both persons and full-time equivalent terms
- professional status (non-professional, professional, and managers and administrators)
- occupation (carer, referral or information worker, support worker, social worker or case manager, psychologist, counsellor or therapist)
- type of service of employment (not-for-profit or charitable, for-profit private or public)
- contractual arrangement (permanent part-time, permanent full-time, casual or contract)
- whether employed by the service, an agency, sub-contracted or self-employed
- age, gender, birthplace
- hours worked, including unpaid hours of work
- weekly earnings
- level of education and field of qualification

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- motivations to work in the sector, levels of job satisfaction, and future career intentions
  - work experience before entering the sector, and within the sector (Martin and Healy 2010).

## **Cost data**

There are few ongoing collections of the costs of ECEC services. The only publicly available collection is the *ABS Community Services: Australia* (cat. no. 8696.0). The Community Services survey is an irregular collection that has been undertaken every four or five years. In the most recent survey in 2008-09, 10 967 community service organisations were surveyed on various aspects of their financial operations. These services included childcare centres.

Descriptive data collected include the:

- location of the service
- profit, not-for-profit status of the service
- number of employees
- employment status (full-time, part-time, casual), and volunteer status
- gender and age of employees
- role of employees (direct service provision, and indirect service roles)
- qualification of employees
- average hours worked by employees.

Financial data collected include income of the service (including government funding and fees from service provision), labour costs and a range of other expenses.

## **Household use data**

Household data provides the basis for analysing the motivations and capacities of households to pay for ECD services. It also provides the basis for assessing the distributional impacts of ECD policies.

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### *Childhood Education and Care Survey*

The Childhood Education and Care Survey (CEaCS) (cat. no. 4402.0) is an ABS collection, most recently undertaken in June 2008. It is an expansion of the earlier Child Care survey that has been undertaken approximately every three years since 1969. There are two attractions to CEaCS. First, it reports on formal and informal child care, where:

- formal care is defined as regulated care away from the child's home, and includes LDC, occasional care, family day care, before and after school care, and preschool
- informal care is defined as any paid or unpaid non-regulated care arranged by a child's parent or guardian, either in the child's home or elsewhere, and includes care provided by grandparents, brothers and sisters (including step brothers and sisters), other relatives (including a non-resident parent), or any other person.

Second, it provides data for all forms of formal care, not just that which is approved for CCB funding. For example, it includes all occasional care services, even though many of these are not CCB funded.

Third, CEaCS describes the motivation of parents to use formal and informal care, as well as some of the background family characteristics. Data collected include the:

- reasons for seeking formal or informal care (such as work-related, personal, beneficial for child, or other reasons)
- labour force status of parents
- number of days per week seeking care
- weekly cost of child care
- weekly family income.

An illustration of the type of data available from CEaCS is given in table B.4. It is evident that the number of children attending formal and informal care increases with age up until school age, and that informal care is relatively more important than formal care in the earlier years.

CEaCS has been used to describe the motivation and capacity of parents to use ECEC services, including to estimate the factors that determine the demand for child care (see Doiron and Kalb 2002; 2005). The dataset provides a rich description of the key determinants of female labour force participation — such as education levels and household incomes.

**Table B.4 Number of children, by informal and formal care and age of child, 2008<sup>a</sup>**

Thousands

	<i>Under 1 year</i>	<i>1–2 years</i>	<i>3–5 years</i>	<i>6–8 years</i>	<i>9–12 years</i>	<i>Up to 12 years</i>
<b>Formal care</b>						
Before and/or after school care	0	0	40	124	89	253
Long day care	17	184	205	0	0	408
Family day care	5	29	27	5	6	71
Occasional care	1	14	10	0	0	25
Other formal care	2	9	7	1	2	21
Total children in formal care	25	225	278	131	96	756
<b>Informal care</b>						
Grandparent	54	146	168	132	161	660
Non-resident parent	1	16	29	45	71	162
Other relative	8	20	34	41	71	174
Other person	7	20	35	34	43	141
Total children in informal care	65	181	242	220	300	1 008
Children with no usual child care arrangement	199	213	355	489	726	1 982
<b>All children aged 0–12 years</b>	<b>281</b>	<b>545</b>	<b>785</b>	<b>798</b>	<b>1 089</b>	<b>3 498</b>

<sup>a</sup> The total number of children accessing care may not sum to total since children may access more than one type of care during the survey period.

Source: ABS (2009c).

### *Child Care Management System*

DEEWR is responsible for calculating and paying CCB payments. The Child Care Management System (CCMS) is used by the department to administer CCB payments to ECEC services and parents.

There are three collections within the CCMS. The first contains data on every child that used an approved childcare service at least once in a given year. Each child's record contains information on which services the child used, how often the child used the service (hours of use), as well as some demographic characteristics (such as age and gender).

The second collection contains a record for each approved ECEC service. The record includes data on the organisation they are a part of (for example, whether they are part of a chain), the location of the site and the types of services provided (such as whether it provided LDC and occasional care).

The third collection contains information used to calculate CCB payments. As such, it contains a record for each family claiming CCB payments. Each record is linked

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to the fees charged by the centre, the parents' income(s), and the amount of CCB paid.

The CCMS is a very useful tool for estimating the revenue of approved childcare services, and the affordability of childcare services to households (since it contains records of both household income and out-of-pocket childcare expenses). The dataset permits a detailed examination of how many hours children attend formal child care, and the different types of child care attended. Moreover, the childcare services in the CCMS can be uniquely matched to those in the National Workforce Census.

## **Data on benefits from ECD interventions**

Although there are numerous datasets that describe aspects of child education and development, there are two datasets that comprehensively measure child development and the factors that contribute to it: the Australian Early Development Index (AEDI) and the Longitudinal Study of Australian Children (LSAC).

### *Australian Early Development Index*

The AEDI is a project coordinated by the Centre for Community Child Health (at the Royal Children's Hospital Melbourne) and the Murdoch Children's Research Institute. The project is funded by DEEWR.

The AEDI is a suite of indexes of child development adapted from the Canadian Early Development Index (CCCH 2007). The data were collected in a one-off survey of over 260 000 (or 96 per cent of) children Australia-wide entering their first year of formal schooling in 2009. The survey was administered by 15 991 teachers from 7 420 schools, who were asked to assess their students in accordance with a checklist of early development indicators.

These factors in the checklist were collated and aggregated into five indexes (domains) of child development and covered:

- physical health and wellbeing
- social competence
- emotional maturity
- language and cognitive skills
- communication skills and general knowledge.

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The AEDI was found to have excellent psychometric properties (Andrich and Styles 2004). The teacher-rated outcomes of the AEDI were also found to be highly correlated with the teacher-rated outcomes collected in LSAC (Brinkman and Silburn 2007; Brinkman et al. 2007). This suggests that the index is a reliable measure of early childhood development, and of the readiness of children to take advantage of the learning environments in school (Brinkman and Silburn 2007; CCCH 2007).

The AEDI is available as a confidentialised unit record file (CURF). The CURF includes (among other things) information on each child's student identification number, gender, age, special-needs status, Indigenous status, English as a second language status, place of birth, state of residence, a measure of the socioeconomic status of the child's community of residence (as represented by the ABS Socio-Economic Indexes for Areas), the child's rating against each of the checklist items, and the child's overall summary score against each of the five AEDI domains (AEDI nd).

### *Growing up in Australia: the Longitudinal Study of Australian Children*

LSAC is a project undertaken in partnership between the Department of Families, Housing, Community Services and Indigenous Affairs, the Australian Institute of Family Studies, and the ABS.

The study aims to examine the range of social and cultural factors that influence children born in Australia in the late 1990s and early 2000s. Data for the study are collected for two cohorts. The first cohort consists of 5000 children who were up to one year old in 2004, and the second cohort consists of 5000 children who were four to five years old in 2004 (AIFS nd). Data were collected in successive 'waves' of collections, with 'wave 3' being the most recently released dataset.

LSAC is an extremely rich dataset with over 17 000 variables that describe various aspects of a child's life. LSAC Data are available as a CURF. Data items in the CURF include information about the quality of the child's dwelling, family type of the child and the parents' marital status, a range of variables about the child and their parents sociodemographic history (such as language background), medical history, child's developmental behaviour, the number of hours the child attended formal and informal care (including LDC, family day care, occasional care, mobile care unit), the parent's motivations for child care use, the parents' employment status, and so on.

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## **B.3 What are the limits to existing data collections?**

There are a number of limitations to the existing datasets that limit their usefulness in workforce planning.

### **Workforce planning**

Workforce studies are often undertaken to examine the factors that influence the decisions of workers and prospective workers to enter and exit a workforce. Such studies have been undertaken for the workforce as a whole and for occupations with a high female representation such as nurses and teachers.<sup>1</sup>

The National Workforce Census provides useful information regarding when an ECEC worker joined the sector, for how many years they were absent from the sector, and what their future intentions are for work and study in the sector. Its usefulness is limited, however, in that it only covers those workers currently in the ECEC sector. Questions are not asked of those who have left the sector about their reasons of departure, when they departed, and whether they intend or would consider returning to the ECEC sector.

An alternative collection is the Australian Census of Population and Housing. It provides considerable detail about the Australian population in terms of the labour force status, industry and occupation of employment, income and a variety of sociodemographic descriptors (such as age, gender, residence, and language background). The dataset provides not only data on the number of workers outside the ECEC workforce, but has also been used extensively to undertake sophisticated analyses of various aspects of the workforce generally, such as labor force participation and rates of return to education.<sup>2</sup>

### **Costs of ECD services**

The costs of ECD services are not well understood. While CEaCS provides some description of the cost structures of childcare centres, there are few other data for

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<sup>1</sup> For the female workforce see Dandie and Mercante (2007), and Vella (1993) for younger women. For nurses and teachers, see for example Bradley, Green and Leeves 2006; Brewer 1996; Cunich and Whelan 2010; Doiron and Jones 2006; Dolton and van der Klaauw 1995; Hanushek, Kain and Rivkin 2002; Holmås 2002; Mont and Rees 1996; Parker and Rickman 1995; Russell et al. 2008; Shields 2004; Skåtun et al. 2005.

<sup>2</sup> See for example Chapman and Mulvey 1986; Chiswick and Miller 1995; Eastough and Miller 2004; Forbes, Barker and Turner 2010; Miller 2005; Preston 1997, 2000; Stromback 1984.

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preschools, other ECD services, and for the major cost drivers of ECEC more generally.

The lack of reliable cost data has hampered previous attempts to reliably estimate the cost implications of the agreed ECEC reforms. A number of Australian studies were either unable to quantify the costs, or where costs were obtained, unable to determine in detail the underlying cost drivers of ECEC services (Allen Consulting 2010; Booz and Co. 2008; COAG 2009h; DEECD 2009a; Peak Children's Services Cross Sectoral Taskforce 2006). As a result, these cost–benefit analyses should be treated with caution.

The lack of comprehensive cost data is not unique to Australia — there are few such collections overseas. However, where rigorous cost data have been collected, it has been possible to statistically analyse the data for the effects of policies on ECEC services. Some notable studies include Blau and Naci Mocan (2002), Naci Mocan (1995, 1997), Mukerjee and Witte (1993), Powell and Cosgrove (1992) and Preston (1993) for the United States, and Ringstad and Løyland (1998) for Norway.

## **Benefits of ECD policies and programs**

The AEDI and LSAC have complementary strengths and weaknesses. A strength of the AEDI is that it is collected nationally. Another is the robustness of its indicators. This makes the AEDI a reliable indicator of the extent of child development among the population of Australia's children.

Its weakness is that it has only been collected for a single year — 2009. Moreover, the collection does not contain sufficient background variables that would be expected to explain the patterns of child development — such as parental education and income levels, and experience of preschool and child care.

LSAC provides a rich dataset of the various factors that are thought to contribute to child development, such as the education attainment of the child's parents, the parent's employment status, experience in child care, and so on. The dataset can be used to assess the extent to which ECD policies and programs have contributed to improvements in child development, after accounting for all other considerations.

LSAC is not a national collection, thereby limiting its predictive capabilities for smaller groups of children. Moreover, LSAC does not collect data on the AEDI.<sup>3</sup>

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<sup>3</sup> Even though the AEDI was collected in the first wave of LSAC, it was only done so for the purpose of testing the suitability of AEDI as a predictor of child outcomes against the variables established in LSAC.

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The Commission understands that there is a commitment by the Australian Government to continue funding the collection of the AEDI, and that there are ongoing initiatives to link the AEDI and LSAC datasets.

## **B.4 What data improvements might be made?**

In looking at possible improvements to the data that could facilitate a more comprehensive ECD workforce strategy, the costs of providing those data improvements need to be considered.

The collection and dissemination of data is expensive. It includes not only the financial cost to the collecting agency, but also the financial and other costs imposed on those persons responsible for providing data. Individuals can be burdened by administrative requirements that ultimately take them away from their core and most valued tasks, and while the burden of complying with the requirements of any one collection might seem trivial, the combination of multiple data requests can lead to a substantial burden on individuals.

Recommendations about additional data that might be considered to help in developing the ECD workforce strategy are summarised in chapter 11. Further details in relation to those additional data follow.

### **Improving workforce planning data**

The quality of ECEC workforce planning could be improved by improving access to the Australian Census of Population and Housing. The Census is currently available to the public in two CURFs — covering one and five per cent samples of the Census respectively. Neither of these samples provide a sufficient level of detail regarding occupation and industry classifications to permit a detailed analysis of the ECEC workforce.

The benefit of preparing a more detailed CURF is that it would improve the evidence base around which to prepare an ECEC workforce strategy. It would provide Australian governments with an insight into the relative rates of return to education in ECEC, and allow a detailed examination of the reasons for entering and exiting the ECEC workforce.

Providing a more detailed CURF would involve some cost to the ABS. Providing access to a suitably sized CURF (provided confidentiality requirements can be met) is likely to be less expensive over the long run than trying to get similar data another way, because it involves a one-off investment in assembling data that has already

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been collected. Not only would the costs of future ongoing access be lower than the initial start-up costs, but they would also be lower than the alternative of establishing an ABS data laboratory — that is, assembling a fully identified unit record file every time that data is to be analysed.

### **Improving data on the costs of ECEC policies and programs**

There is a case for improving the data on ECEC service costs. The understanding of the cost impacts of a workforce strategy could be improved by expanding the scope of the National Workforce Census.

The advantage of expanding the National Workforce Census is that it collects a range of other data that are often important in determining the cost drivers of an ECEC service — such as the workforce arrangements, and the characteristics of the children being cared for (such as their age, language status, and additional needs). It would also enable costs to be linked directly with the characteristics of the centre (such as the number of staff, their qualifications, and the profile of the children) to determine the main cost drivers of the service.

Given that collecting financial data can be potentially costly, there is a case for ensuring that any future cost collection would comply with the Australian Government's Standard Business Reporting (SBR) initiative. The aim of the SBR initiative is to reduce the business-to-government reporting burden through the use of SBR-enabled accounting and payroll software (SBR nd).

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## C The evidence base for early childhood development policy

Australia's early childhood development (ECD) policy aims to support children's development and address the gaps in outcomes between groups of children. Though most children are doing well and benefiting from quality ECD services, some, particularly some Indigenous children, are experiencing significant disadvantage, which affects many aspects of their development and prospects. Targeted policies are aiming to support these children, and research overseas has shown that these policies can improve outcomes for participants and their communities. New ECD policies are introducing universal initiatives, for which the evidence base is less conclusive.

### C.1 Evidence-based policy in the ECD sector

Over the past five decades, academics and policy advisers have produced a substantial body of research examining numerous aspects of early childhood development. This research forms the evidence base that informed the recent policy initiatives in the ECD sector (box C.1).

The National Early Childhood Development Strategy surveys a vast array of research, from neuroscience findings on brain development to the efficacy of integrated service delivery (COAG 2009c). The studies are based on different time frames and have been conducted in different countries; they examine a variety of programs, which can be highly intensive, targeted or universal; they employ different statistical approaches and arrive at conclusions that are often conflicting.

Despite these differences, what has been established is the importance of children's experiences in their early years, both within and outside the home, in shaping their life outcomes. High-quality early childhood education and care (ECEC) can support children's development, and in the case of disadvantaged children, it can have substantial positive effects (COAG 2009i).

This appendix surveys some of the key concepts and findings of the ECD research and their application in policy development, with an emphasis on ECEC. For further

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discussion on the evidence base for child health and family support policies, see chapters 12 and 13.

### **Box C.1      What is evidence-based policy?**

Evidence-based policy making can be defined as ‘a process that transparently uses rigorous and tested evidence in the design, implementation and refinement of policy to meet designated policy objectives’ (PC 2010b, p. 3). Its aim is to assess whether a policy improves community wellbeing.

The questions that arise in the process of formulating evidence-based policy are: what type of evidence is available; what type of evidence should be used to inform policy development; and what role it should play in the policy development process.

Different policy areas are faced with different types of evidence.

- Relatively stable policy fields rely on strong theoretical foundations and a significant evidence base. Research in this area aims to fill gaps or refine existing conclusions.
- In other cases, there is still debate on the theoretical approach, and the knowledge base is contested.
- Emerging policy fields are faced with a high level of uncertainty and a very limited evidence base.

In all cases, the evidence used should be robust, tested and rigorous, and the policy making process should be transparent and contestable.

The chosen evidence base informs all stages of the policy cycle. When first formulating the policy objective, the question should be whether there is evidence of a problem that needs to be addressed in the interest of community wellbeing. Evidence should support a theory on the nature of the problem, the policy instruments chosen to address it and their expected outcomes. As new policy is being implemented, evidence should be collected on its progress and outcomes. This will then be used in a policy review, assessing effectiveness and efficiency, and refining the policy as required.

*Source:* PC (2010b).

## **C.2      Key early childhood development concepts**

The recognition of the importance of the early years and the economic rationale for investing in ECEC is often based on recent findings in neuroscience. Research has found that rapid brain development takes places in the first years of life, and it lays the foundation for the development and acquisition of cognitive and socio-emotional skills (box C.2). Children are born ready to learn, and every interaction they have with others is an opportunity to develop their skills (Shonkoff and Phillips 2000).

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### **Box C.2      Understanding multi-dimensional ability**

The new emphasis on early childhood development has been driven by the understanding that human ability is multi-dimensional and malleable. Hence, differences in individuals' ability and life outcomes can be attributed to different life experiences, including education.

In the past, researchers believed that human ability could be represented by a single measure, usually intelligence quotient (IQ), which was determined largely by genetics. This view has been replaced by a focus on cognitive and socio-emotional abilities (Dickens 2008). Cognitive abilities are intellectual skills such as numeracy and literacy, while socio-emotional abilities include emotional and relational skills such as persistence, self control, communication and other 'soft' skills, which are difficult to measure (Cunha and Heckman 2007).

Both cognitive and socio-emotional skills are essential to children's development. For example, learning cognitive skills, including maths and reading, is greatly enhanced when children have developed supporting socio-emotional skills such as patience, self control and persistence (Heckman and Krueger 2004).

The interaction of cognitive and socio-emotional skills is particularly important in the early years of life (Kilburn and Karoly 2008). A growing body of research demonstrates that adverse experiences in this period, such as abuse or neglect, impair the development of socio-emotional skills and often lead to negative outcomes in adulthood (Felitti et al. 1998). A similar body of work demonstrates the benefits from early childhood experiences that encourage the mutual development of cognitive and socio-emotional skills (Heckman and Krueger 2004). This approach acknowledges the persistence of ability determined by 'nature', while recognising the role of 'nurture', including early childhood education and care, in child development.

Human capital theories argue that early acquisition of skills allows further skill acquisition later in life. This supports the need to invest in children's early years, as investment during this period can be more cost-effective than in later periods, and generate substantial returns over the children's lifetimes, particularly for those from disadvantaged backgrounds (Cunha and Heckman 2007).

As the number of children and families using ECEC services has increased dramatically, the understanding of the importance of children's experiences in the early years prompted increased interest in the way ECEC affects development, and how to maximise the benefit (or, depending on the study's context, minimise the damage) from ECEC participation.

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## Quality

ECEC services can contribute to human capital development. Research indicates that high quality ECEC can have positive effects on children; however, quality in this context is difficult to define and measure (box C.3).

Researchers refer to the ‘iron triangle’ of ECEC quality — staff-to-child ratios, the number of children in a group, and staff qualifications. These are three indicators that ‘provide the context in which quality is likely to occur’ (COAG 2009i, p. 22).

However, there is no consensus on the application of these standards, and the optimal balance between them.

- Staff-to-child ratios — a vast body of research has established that higher staff-to-child ratios have positive implications for overall quality and children’s outcomes. However, Huntsman (2008) points out that most research in this area has focused on children aged 3–5 years, and while most studies show a correlation between ratios and positive outcomes, this can be disputed. The results of natural experiments (where quality was measured before and after a change in ratios) and experimental studies have been varied, and in some cases showed that moderate changes in ratios do not affect quality.
- Smaller group sizes have been linked to higher quality in some studies, while others found no effects (Zaslow et al. 2010).
- Staff qualifications have been shown to have the most substantial effect on child outcomes. However, this finding has also been contested in some studies (see below). While the OECD considered that the staff of early childhood centres should be pedagogues or qualified educators (2006), and the research focuses on staff holding teaching degrees, there is no consistent finding regarding the extent and type of training required by other staff members.

The three aspects of the ‘iron triangle’ affect child outcomes in different ways at different stages of their lives. While staff numbers had the most significant effect on outcomes for 2-year-old children, staff qualifications became the most important contributors to outcomes for 3-year-olds (NICHD 1999).

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### Box C.3      **What is ECEC quality?**

The concept of quality in early childhood education and care (ECEC) has attracted substantial interest from researchers and policy makers. Though a conclusive definition is yet to be reached, the OECD (2006) identified seven aspects of quality.

- *Orientation quality* refers to the type and level of attention of government towards early childhood policy. It is thought to increase when governments engage stakeholders in a broad consultation on early childhood development policy, with a view to creating an integrated system where the upbringing of children is an important national goal.
- *Structural quality* includes the aspects of ECEC services that can be measured and regulated (such as staff-to-child ratios, qualifications, group sizes, the service's physical environment).
- *Educational concept and practice* informs the development of a curriculum that sets goals for the ECEC system. The curriculum needs to take into account changing concepts of learning and development.
- *Interaction or process quality* is reflected in the daily interactions between children and ECEC staff. Relationships between children and staff are most effective in supporting child development when they combine pedagogy and care.
- *Operational quality* is fostered by the quality of management, staff development and team building.
- *Child outcome quality or performance standards* refer to children's wellbeing and the benefits they derive from ECEC. These can be measured in a number of ways, such as assessing literacy and numeracy skills and socio-emotional development.
- *Community outreach and involvement* is particularly important in disadvantaged areas, where ECEC services can make a substantial contribution to community wellbeing by supporting parents and families.

From a regulatory point of view, it is often the structural quality elements that attract the most attention, as they can be readily measured and standardised. High levels of structural quality can promote other types of quality.

However, ECEC quality cannot be judged in isolation. Overall system quality will be affected by the degree of integration of education and care, and by funding levels and mechanisms (Bretherton 2010). The social and cultural context also plays an important part in understanding ECEC quality.

The debate over ECEC quality continues, and academics suggest that technical measures of quality should be replaced by a more philosophical approach, in which:

... benchmarks of quality in early childhood are not intrinsic, fixed and prescribed by scientific knowledge about development, although science clearly has a crucial role to play in informing quality development. In due course, human societies may come to share beliefs about what is 'normal' and 'natural' and 'appropriate' for all young children. But universal consensus would not make these beliefs, or the arrangements for their implementation, any less cultural. (Woodhead 2006, p. 23)

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Researchers have argued that the structural aspects of quality that comprise the ‘iron triangle’ have an indirect effect on children’s outcomes, and it is the process quality (the quality of interactions between children and staff) that determines the effect of ECEC. Structural standards can enhance quality where process quality is high, by allowing educators to have more meaningful interactions with children. Conversely, poor structural quality moderates the effects of high-quality interaction. Researchers have also challenged the notion that higher structural quality will always lead to improved outcomes, suggesting instead that quality must be above a certain threshold for any improvements to be realised (Zaslow et al. 2010).

Despite the extensive research, there is no international benchmark for ECEC quality, and standards vary considerably across countries in the Organisation for Economic Cooperation and Development (OECD). For example, the American Academy of Pediatrics recommends a staff-to-child ratio of 1:3 for babies under 12 months, increasing to 1:8 once the children reach 4 years of age, and group sizes ranging from 6 to 16 children (AAP 2005). However, these standards are rarely met in OECD countries, with ratios ranging from 1:3 to 1:8 for babies, and reaching up to 1:22 for older children in groups of up to 30 (OECD 2006).

Similarly, there is no universal method to measure children’s outcomes. This is reflected in the regulatory approach to ECEC quality, with some countries not regulating ratios or group sizes, focusing instead on staff qualifications and curriculums (OECD 2006). As a result, while the importance of quality ECEC is widely recognised, the evidence base shows this to be a complex concept, based on an interplay between various factors that cannot be easily defined.

## **C.3 Empirical research**

### **Longitudinal studies**

Longitudinal studies gather data about selected children and their families at regular intervals in their lives. They can offer valuable insight into children’s outcomes, and the way they are affected by their ECEC experiences. A number of international longitudinal studies that are often cited in ECD research are surveyed below (Australian studies are discussed in box C.4).

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#### Box C.4      **What do Australian studies tell us?**

Two major studies of early childhood development are currently being undertaken in Australia: the Australian Early Development Index (AEDI) and the Longitudinal Study of Australian Children (LSAC).

The Australian Early Development Index is a population measure of children's development, based on teachers' assessment of children in their first year of full-time school. In 2009, assessments were gathered on 261 147 children, representing 97.5 per cent of the five-year-old population. These assessments cover five domains: physical health and wellbeing; social competence; emotional maturity; language and cognitive skills; and communication skills and general knowledge. Data collection will continue to be undertaken every three years.

The 2009 AEDI study found that the majority of children are developing well across all domains. However, 23 per cent of children were described as 'developmentally vulnerable' (being in the bottom 10 per cent of national scores) on one or more domains. This rose to 47 per cent among Indigenous children, who had particular difficulties with language and cognitive skills (CCCH and Telethon Institute for Child Health Research 2009).

*Growing Up in Australia: The Longitudinal Study of Australian Children* began in 2004 with two cohorts — 5000 infants aged 0–1 year, and 5000 children aged 4–5 years. Data has been collected from participants each year and this will continue until 2020. The study also uses extensive administrative data to provide information on the children's progress (AIFS nd).

About 10 per cent of infants and almost all older children in the LSAC study attended an early childhood education and care (ECEC) service. Data was collected both from families and educators. In the case of infants, the study highlighted the importance of the interactions between families and centre-based educators. For older children, the study showed benefits from attending early childhood education programs delivered by staff with higher qualifications and more experience.

ECEC quality measures were not shown to be strong predictors of child outcomes. This has been linked to the fact that the Australian ECEC system achieves a high level of quality overall (Harrison et al. 2009).

*Footprints in Time: The Longitudinal Study of Indigenous Children* (LSIC) started in 2008. The study includes 1687 Indigenous children from two age groups: 6–18 months and 3½–4½ years. The first wave of data collection was completed in 2009, and findings focused on maternal and child health and wellbeing. Data collection will continue until 2012 (FaHCSIA 2009c).

Earlier studies include the Australian Temperament Project, which has been following over 2000 families in Victoria since 1983 (Prior et al. 2000), and the Child Care Choices study, which followed 600 families in New South Wales over six years and highlighted the importance of stability in children's ECEC arrangements (Bowes et al. 2009).

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### *The National Institute of Child Health and Human Development (NICHD) Study of Early Child Care and Youth Development*

The Study of Early Child Care and Youth Development is an American study that follows over 1000 children who were born in 1991. The information collected during the first years of the study included observations of ECEC quality and interactions, as well as child development, family income and wellbeing.

The study has shown that higher quality ECEC services that offer more ‘positive care’ can support children’s cognitive and social development, although overall, family characteristics were much more important predictors of development (NICHD 2006). In the context of ECEC, children from high-income families experienced care that ranked higher on the process quality scale (positive interactions with caregivers) compared with children from low-income families, while the differences in structural quality were less pronounced (Dowsett, Huston and Imes 2008). High quality care was found to have a correlation with improved academic achievements when the children turned 15 years (Vandell et al. 2010).

### *The Effective Provision of Preschool Education (EPPE)*

EPPE is a study from the United Kingdom that followed 3000 children from their third to their seventh birthdays. Beginning in 1997, EPPE has since been extended to collect data about the children and their experiences as they progressed through the school system (IOE nd). The data collected include characteristics of the children and their families, and the preschool setting they attended.

Findings of the EPPE study point to the importance of preschool attendance in enhancing children’s development. Attendance at a higher quality preschool resulted in improved child outcomes. The study found that services in which staff have higher qualifications tend to achieve higher quality scores, on both structural and process quality. While the researchers recommend that preschools should ‘aim at a good proportion of trained teachers on the staff’ (Sylva et al. 2004, p.6), they do not specify a recommended staff-to-child ratio.

In terms of family characteristics, children’s development was more closely linked to the quality of the ‘home learning environment’ than to parental income (Sylva et al. 2004).

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### *Competent Children, Competent Learners*

Conducted in New Zealand, this study included 500 children and began in 1993. Children and their families were recruited to the study just before they started school. All children in this study attended an ECEC service.

Similar to the other studies, this study found that high quality ECEC can be linked to improved academic skills later in life. At age 16, young adults who attended ECEC services with high operational quality scores continued to show better outcomes than their peers, regardless of their family background (Wylie et al. 2008).

### **Cost–benefit analyses**

Cost–benefit analyses are useful instruments in designing evidence-based policy. They quantify the results of implementing a specific policy, and can compare the benefits accrued to the community to the costs imposed by the policy.

This type of analysis has tended to focus on early intervention programs, mostly in the United States. These studies indicate that intensive early intervention programs have substantial economic returns, which can be up to 16 times higher than the cost of intervention. The benefits extend throughout life, and include improved education and employment outcomes, and a lower likelihood of being arrested or requiring welfare payments. Key examples are discussed below.

### *Head Start and Early Head Start*

Head Start and Early Head Start are two large scale programs operating in the United States, which provide funding for early childhood education and family support services for low-income families with children aged 0–5 years. Head Start began operating in 1965, and focuses on ECEC services for children aged 3–5 years. Early Head Start was established in 1994, and supports services for pregnant women and families with infants and toddlers.

Since 1965, 27 million children have been enrolled in Head Start and Early Head Start. In 2010, the US Government spent more than \$7 billion on the programs, and expenditure has reached over \$120 billion since they were established (OHS nd).

Early Head Start was found to improve development outcomes for infants and toddlers, and their families' parenting skills (US DHHS 2006). The evidence on Head Start, which includes mostly preschool programs for disadvantaged children, shows a different pattern. While children who participated in Head Start showed

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improved pre-academic skills at age 3 and 4 years, by the end of the first year of schooling, most of these benefits were no longer evident (US DHHS 2010). However, longer term studies found that participants in Head Start were substantially more likely to complete high school and attend college, and less likely to be arrested or charged with a crime (Ludwig and Phillips 2007).

From a cost–benefit perspective, research has been inconclusive. Currie suggested that the short- and medium-term benefits of Head Start would pay for 40–60 per cent of the program costs, and when taking into account potential long-term benefits ‘Head Start would pay for itself’ (2001, p. 234). Other research is less clear. For instance, Ludwig and Phillips concluded that:

...the available evidence suggests to us that the Head Start program as it currently operates probably passes a benefit-cost test. Changing the program in various ways that have figured prominently in recent policy discussions [such as requiring teachers to hold 4-year college degrees] may not make the program any better, and could make things worse. (2007, p. 37)

### *High/Scope Perry Preschool*

Conducted from 1962 to 1967 in Michigan in the United States, the High/Scope Perry Preschool Project involved 123 African-American children from highly disadvantaged backgrounds. The children participated in a preschool program for two years, which also included home visits by teachers. By the time the program’s participants reached 40 years of age, they were much more likely to be employed and have significantly higher earnings compared to those who did not participate. They were also less likely to be arrested (Schweinhart 2005).

A range of cost–benefit analyses has been conducted based on the findings of the High/Scope Perry Preschool Project. Results ranged from returns of \$7 to over \$16 in benefits per dollar invested, primarily accruing to the community through the prevention of crime (Schweinhart 2005; Heckman et al. 2009).

### *Carolina Abecedarian Study*

Similar to the High/Scope Perry Preschool Project, the Carolina Abecedarian Study involved a small group of children from disadvantaged backgrounds. In this case, 112 children were selected in 1972 to attend an ECEC program from as early as six weeks of age and until they turned five years of age. The full-time program had high staff-to-child ratios, from 1:3 for infants and toddlers to 1:6 for older children. Data on the participants’ life outcomes was collected until they were 21 years old.

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Apart from benefits to the participants themselves, in terms of income and improved health, the program was also reported to generate benefits for their families, who were more likely to be employed. However, this program did not lead to a significant reduction in crime.

The Abecedarian Program was found to generate returns of about \$2.50 for every dollar invested, when taking into account health benefits and higher wages earned by the participants' families presently and for future generations (Barnett and Masse 2007).

### *Chicago Child-Parent Centers*

The Chicago Child-Parent Centers (CPC) began operating in 1967, offering government-funded early childhood education and family support services to disadvantaged families while their children were aged between three and nine years. Since 1986, the Chicago Longitudinal Study followed 1539 children who participated in the program.

Program participants were more likely to complete their high school education and less likely to receive welfare payments or be arrested. Due to the program design, researchers were able to compare outcomes of participants who attended the CPC during their preschool years, after reaching school age, and those who attended the full program. The most substantial improvements, when compared with children who did not participate in the program, accrued to participants who attended the CPCs only during their preschool years. Children who participated in the full program (during preschool and primary school) were slightly more likely to complete high school than those who attended only during their preschool years — however, no differences were found in the groups' rate of arrests and welfare dependency.

This result was mirrored in the cost–benefit analysis conducted for the program. For every dollar invested in the preschool program, the return was estimated at \$10.83. This compares with a return on investment of \$3.97 and \$8.24 for the school-age program and the full program, respectively, which implies that an intervention limited to the preschool period may be the most efficient. Benefits were higher for children from particularly disadvantaged backgrounds. Most benefits accrued to society through lower crime levels and higher tax contributions (Reynolds et al. 2011).

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## Meta-analyses

Meta-analyses, which combine the results of several studies addressing a set of related hypotheses, have also been used in analysing ECEC data. These studies can be useful to policy makers as they use a larger evidence base, and may allow for more general conclusions to be drawn. However, the specific criteria used to select the studies within each meta-analysis affect the results, and these need to be considered.

### *Early childhood interventions*

- Camilli et al. (2010) undertook a meta-analysis of 123 studies comparing the cognitive, social and school progress of children from disadvantaged backgrounds involved in preschool intervention programs, with children who either had no educational intervention or an alternative intervention. All programs were implemented in the United States after 1960. They conclude that while ‘preschool intervention programs provide a real and enduring benefit to children ... the research is less clear regarding the specific program features that lead to optimal results’ (p. 602). The study supported the assumption that improving staff-to-child ratios and maintaining small group sizes had positive effects on children’s outcomes. However, programs that offer additional services beyond preschool, such as home visits, may ‘dilute the intensity of children’s preschool experience’ (p. 605), and resulted in smaller improvements in cognitive outcomes. The authors suggested that this may be due to the fact that these programs require the teachers to perform a range of duties other than instructing children, limiting their time in the classroom.
- Karoly, Kilburn and Cannon (2005) reviewed 20 early childhood intervention programs, including home visiting, parent education, early childhood education and combined programs, all from the United States. Most programs were shown to have significant positive effects on participants, which persisted long after the preschool years. Staff-to-child ratios and staff qualifications were shown to affect child outcomes. However, these positive effects were not sufficient to eliminate the gap between the participants, who were all from disadvantaged backgrounds, and other groups in the population.
- Wise et al. (2005) is an Australian study that focused on the costs and benefits of early intervention programs. It included 32 programs from the United States, Canada, the United Kingdom, Bolivia, Turkey and Australia, conducted since 1960. Some programs were focused either on enhancing child outcomes, parental skills or improving family welfare; others were targeted at both children and parents or were universally offered. Overall, the programs were found to have small to negligible effects on participants. The authors point out that even

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though some short-term effects on children's development may be small, they may have a substantial influence on their life outcomes.

- Nores and Barnett (2010) considered only early intervention programs from outside the United States. The 30 programs covered in their study were implemented in 23 countries in Europe, Africa, South America, and Asia, with very diverse levels of economic development. Programs offered cash transfers to parents, nutritional support or educational intervention. The study found that all programs had positive effects on children's cognitive development. Mixed programs, with educational and nutritional components, were shown to have the most substantial effects, although cash transfers were also successful in improving children's outcomes. Longer programs were less effective, as they were also less intensive. The effects were smaller in countries with lower average incomes and the authors theorise that this may be because 'intervention effects depend on other supports in the environment that are less likely to be present in less developed economies' (p. 279).

### *ECEC quality*

- Burchinal, Kainz and Cai (2011) reported the results of two types of analysis — a meta-analysis of 20 research projects that examined the link between ECEC quality and child outcomes, and secondary analysis of data from large scale studies of children's outcomes such as NICHD. The study concludes that the quality of ECEC can be linked to children's academic and social skills, but the effects are moderate. The authors suggested that this may be due to a non-linear relationship between quality and child outcomes, or weaknesses in the existing definitions and measurements of quality.
- Kelley and Camilli (2007) investigated the effect of teacher qualifications on children's outcomes in a centre-based setting, based on 32 studies. They found that slightly better outcomes were correlated with teachers holding bachelor degrees.
- Early et al. (2007) found some positive correlations between outcomes and teachers' qualifications, but concluded that 'major studies of classroom-based educational programs for 4-year olds ... , taken together, do not provide convincing evidence of an association between teachers' education or [course] major and either classroom quality or children's academic gains' (p. 573). The authors point to three possible reasons for this finding: inadequate training for teachers; insufficient support in the workplace; or a labour market that draws the most competent teachers away from early childhood settings.
- Fukkink and Lont (2007) focused on educators, examining the effect of training on competency. They presented a model where educators' competence, which is

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an aspect of structural quality, translates into process quality and leads to improved child outcomes. Results indicated that training improves competencies, but the effect on children's outcomes was inconclusive. Large-scale training programs delivered at multiple sites were found to be less effective in improving educator competencies, compared with smaller providers of training.

## **C.4 Applying research to policy development**

Recent ECD policies, summarised in the National Quality Agenda (NQA) and the National Partnership Agreement on Early Childhood Education (NPA ECE), are based on two key arguments raised in the literature: for children attending long day care centres, the quality of the service is important; and for children from disadvantaged backgrounds, preschool attendance can contribute to improved life outcomes. Therefore, the NQA seeks to raise structural quality in ECEC and enhance pedagogical quality, while the NPA ECE aims to provide universal access to preschool (chapter 3).

Given the many conflicting conclusions that can be drawn from the research, care must be taken when designing evidence-based ECD policy. For example, the Ministerial Council for Education, Early Childhood Development and Youth Affairs warned against misusing neuroscience research in policy development.

As with any theory, it is wise to interpret the findings of neuroscience with some caution. Neuroscience is in its infancy and is constantly being reviewed, challenged, modified, strengthened, and complemented. In this iterative process new evidence sometimes proves early hypotheses and assumptions invalid.

However, the understandings can be persistent and difficult to dispel. It is also easy to misuse, simplify or overstate findings and translate them over zealously or make questionable interpretations and hence we see the rise of some 'neuromyths'. (MCEECDYA 2010a, p. 8)

Although research into ECD has been conducted for more than half a century, similar caution needs to apply when interpreting the results. Some of the issues to be considered are the context of the research, including regulatory, social and cultural differences, and the specific programs being examined, which can be offered universally or targeted at specific populations.

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## **The context of research matters ...**

Much of the evidence base for ECD policy relies on research undertaken outside Australia. It is important to realise the substantial differences across countries and cultures in interpreting these outcomes.

In Australia, the ECEC system operates within ‘a context in which standards for good-quality care are enforced through government regulatory mechanisms’ (Love et al. 2003, p. 1031). This differs substantially from the United States, where regulation of quality standards has recently become a focus point for policy makers (Zaslow et al. 2010). However, much of the literature on quality standards and their effect on children’s outcomes is based on US data.

There may be limited scope for using US findings as conclusive evidence for Australian policy design. In the Longitudinal Study of Australian Children, quality measures were not found to be strong predictors of developmental outcomes for children aged 4–5 years (Harrison et al. 2009). ECEC was found to have a positive effect on children’s social and emotional wellbeing, although the effects observed were minimal (Harrison 2008). Both of these results differ markedly from US studies, and this can be explained by the current overall high quality of the Australian ECEC system, compared with that of the United States.

## **... and so does program design**

Some of the ECD programs reported in the literature — such as the High/Scope Perry Preschool Project, the Carolina Abecedarian Study and the Chicago Child-Parent Centers — have been highly beneficial to the participants and their communities. These programs were targeted, intensive interventions. Hence, their results have limitations when used in the context of policy development aimed at universal access.

Targeted programs tend to achieve substantial benefits for disadvantaged children. However, when these programs, or some of their components, are offered universally, the benefits are more difficult to quantify.

The level of savings for the use of pre-school provision as a form of intervention with disadvantaged populations may be still to be settled. Nonetheless the consistency of positive cost–benefit results from the available studies does indicate that there are long-term savings to be made with such populations.

However the applicability of these indications of savings to the general population is open to considerable doubt in that so much of the benefit in these studies of disadvantaged populations derives from reductions of negative outcomes e.g. crime, remedial education, unemployment, where the incidence of these negative outcomes is

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dramatically less in the general population and therefore the scope for savings is similarly dramatically less.

Hence extrapolation of the results of the cost benefit analyses from intervention studies to the provision of childcare for the general population is clearly inappropriate. (Melhuish 2004, pp. 55–56)

In the case of preschool, universal programs have a number of potential benefits. Offering programs to the entire population of young children may increase participation rates across the board, including for disadvantaged and vulnerable groups. Higher participation from more advantaged groups can support a stronger demand for quality, and it may improve educational outcomes through peer effects (Barnett 2010). In the United Kingdom, the EPPE study showed that disadvantaged children benefited significantly from attending preschool, particularly in settings with a mix of children from various backgrounds (Sylva et al. 2004).

However, universal preschool programs also pose challenges. Research has found that the families who need them most are least likely to attend, and as a result, ‘universal services ... are not universal in practice’ (valentine and Katz 2007, p. 30).

Children from higher income families are already more likely to attend preschool and experience higher quality care (Elliott 2006) and less likely to be developmentally vulnerable (CCCH and Telethon Institute for Child Health Research 2009). Any universal ECD policy will therefore direct scarce resources to groups that may not derive substantial benefits. To a point this can be tolerated (if the amount of resources used is small), but if:

... the decision to adopt a universal approach results in a significant dilution of the resources necessary to adequately support at-risk families, the logic underpinning such a choice would appear to be flawed. (Clark et al. 2006, p.38)

A universal preschool program may also affect the supply of ECEC services to younger children, given the limited resources supporting the sector. Research has found that increasing public funding to preschool services can result in a small reduction in services for younger children (Ackerman and Barnett 2009). In other cases, extending universal preschool programs to toddlers did not result in any additional benefits, compared with entering preschool at an older age (Papon and Martin 2008).

In the Australian context, there is concern that increasing the preschool hours available for children in the year before school will reduce the availability of services for younger children, as providers focus on achieving the NQA and NPA ECE standards (MCEECDYA 2011).

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There is limited research on the effects of universal child care programs. Findings vary, based on the country of reference. For example, the introduction of universal childcare in Norway was shown to have had long term benefits (Havnes and Mogstad 2009), while in Canada, children were reported to be worse off as a result of a large increase in childcare availability (Baker, Gruber and Milligan 2005).

## **C.5 Conclusions**

The first question of evidence-based policy is whether there is evidence of a problem. In the case of the Australian ECEC system, the answer is unclear. Some groups, such as Indigenous children and children from low socioeconomic backgrounds, are substantially disadvantaged and are likely to benefit from additional services. Most children, however, are doing well, and ECEC services overall seem to be ranking highly on international measures of quality.

However, the OECD (2006) pointed out a number of issues facing the Australian system, including: a fragmented philosophy that continues to differentiate between education and care; a complex regulatory system; and the low pay and status of ECEC staff and the way these affect quality. COAG's recent ECEC reforms seek to address some of these issues.

Evaluating the evidence base for ECEC policy shows that despite the large volume of literature and research, there is still much that remains unknown. Researchers are still unsure why certain programs work and others fail, what is the optimal policy design, and what is the best way to ensure the benefits accrue to those who need them most (Károly et al. 1998).

The existing evidence supports the theory behind recent ECEC reforms; however, there is limited evidence on the specific policy tools chosen. Most research has found that where similar policies were implemented, their benefits tended to be small. Though targeted programs have been shown to generate substantial benefits, universal policies may be less effective. Monitoring policy implementation and child outcomes in coming years will be important in establishing future policy directions.



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## D Early childhood development systems and workers in other countries

Early childhood development (ECD) systems in other countries can provide a useful benchmark for assessing the capability and effectiveness of Australia's ECD workforce. The Commission has therefore considered the ECD systems of five other countries. Section D.1 discusses the lessons that can be learned from those systems, with application to areas of current interest to Australian policymakers. Sections D.2 to D.6 provide a snapshot of the ECD systems and workforces in New Zealand, Denmark, France, England and the USA, with a focus on effective service models and recent developments in those countries.

### D.1 Lessons for Australia

There is considerable variation between countries in most aspects of ECD service delivery. As noted by Hasan (2007), there are even substantial differences between countries in what is meant by 'quality' early childhood services. There is therefore no 'right' mix of staff for ECD services.

Even among the small number of countries studied, few general conclusions can be made. Indeed, for almost every general conclusion that can be made about ECD systems and workers, at least one country stands as an exception. Nevertheless, it is clear that:

- none of the countries considered in this appendix require all workers in early childhood education and care (ECEC) services to hold qualifications in education or children's services
- with the exception of Denmark, staff-to-child ratios are used as a means of assuring quality in ECEC services (though with considerable variation in the chosen ratios)
- preschool education is available to all children in the year (or years) before formal schooling and is provided by a degree-qualified teacher (though the United States is an exception in both regards)

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- demand for ECEC services and workers exceeds supply in the majority of countries examined. Only Denmark can be said to provide sufficient government-funded services to meet demand
  - compared to primary schools, ECEC services generally find it harder to attract staff
  - parents, families and volunteers play a role in providing certain ECD services, particularly family support services, in every country. When delivered according to curriculums and/or program guidelines, these services can be very effective
  - except in the United States, child health services are available to all children, delivered by child health nurses in primary care settings
  - every country struggles to increase the proportion of men in the ECD workforce (Peeters 2007).

## D.2 New Zealand

### Early childhood education and care services

Participation in early childhood education (ECE) in New Zealand is high. In 2009, 93.9 per cent of students in their first year of school had attended ECE the previous year (Teach NZ nd). However, despite high overall attendance rates, around one fifth of Māori children and one quarter of Pacific Islander children do not attend formal ECE services (Tolley 2011).

While the New Zealand Government does not own or operate ECE services, it determines ECE policy and regulates ECE services. New Zealand was one of the first countries to move policy and regulatory responsibility for all ECE services to the education ministry (from the social affairs ministry) (Moss 2000). New Zealand was also a frontrunner in curriculum development, adopting an early childhood curriculum framework in 1996. The curriculum includes five strands — wellbeing, belonging, contribution, communication and exploration. The curriculum is known as *Te Whāriki* (the mat) because it weaves together these strands of learning (Ministry of Education 1996). Following *Te Whāriki*, New Zealand developed a ten-year strategic plan for ECE in 2002, known as *Pathways to the Future* (Ministry of Education 2002). The need for teachers who understood the theoretical complexities of *Te Whāriki*, and who had the professional skills to weave each curriculum *whāriki*, became a key policy driver for the government's 10-year strategic plan (May 2007).

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Under Pathways to the Future, teachers in teacher-led ECE services were required to meet the same professional registration standards as school teachers (Ministry of Education 2002). Pathways to the Future also included the goal that, by 2012, all staff in teacher-led services would be registered teachers. This goal has since been set aside (see box D.1 below).

### *Parent-led services*

Unlike other countries considered in this appendix, New Zealand has a strong tradition of parent- and family-led ECE services. Such services encourage or require parent attendance, and do not usually employ teachers (Ministry of Education 2010). Parent- and family-led centres include ‘language nests’ and playcentres.

- ‘Language nests’ (*kōhanga reo*) provide a community- and family-based environment where only Māori is spoken. They are typically found in church halls, schools and traditional Māori community centres (UNESCO and OUP 2010). Language nests provide education and care for around 20 per cent of the Māori children who attend formal care (Statistics New Zealand 2010).
- Playcentres are an early childhood organisation that is unique to New Zealand. ‘Playcentres are collectively supervised and managed by parents for children from birth to school age. They have a strong focus on parent education as well as children’s learning’ (Ministry of Education 2009c). Playcentres generally offer half-day sessions that include a variety of self-selected play activities for children of all ages (NZ Playcentre Federation 2010). In keeping with their aim to increase parents’ skills and confidence, most playcentres offer parenting education programs.

### *Teacher-led services*

There are three main types of teacher-led ECE services in New Zealand.

- Kindergartens are not-for-profit, community-based services that accept children between two and five years old. Kindergarten opening hours vary, with some having set morning and afternoon sessions for different age groups and others offering all-day or flexible sessions for a wider age range of children.
- Like long day care centres in Australia, New Zealand’s education and care services run full-day sessions, or flexible-hour programs for children from birth to school age. Some services cater for specific age ranges (for instance, babies and toddlers). They may be owned and operated by private business, community groups or employers.

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- New Zealand also has a system of home-based education and care services. Similar to Australian family day care, in New Zealand home-based services provide education and care for groups of up to four children under five years of age, in either the educator's home or the child's home. Each educator must belong to a home-based service and is supported by a coordinator who is a registered ECE teacher (Ministry of Education 2009d). The number of home-based services increased by over 60 per cent between 2001 and 2009 (ECE Taskforce 2010).

In both kindergartens and education and care services 50 per cent of the workers who educate and care for children must be qualified and registered as ECE teachers (Ministry of Education 2009d). By 2012, 80 per cent of staff will need to be registered teachers (Ministry of Education 2009b) (box D.1). There are no qualification requirements for the remaining 20 per cent of staff.

In addition to requirements for registered teachers, New Zealand also has mandatory staff-to-child ratios in teacher-led ECE services. For children under two years, staff-to-child ratios are 1:5. Broadly, for children over two years, staff-to-child ratios are 1:10 in 'all day' services, and 1:15 in 'sessional' services (those attended by children for less than four hours per day).

Subsidies to ECE services depend on the proportion of registered teachers, with services that employ a larger proportion of teachers receiving higher subsidies. New Zealand's childcare subsidies are means tested, though income-testing thresholds are lower than those in Australia (James 2009).

In New Zealand, the benchmark qualification for qualified early childhood teachers is a Diploma of Teaching (Early Childhood Education) (Teach NZ and Ministry of Education 2011). Both the diploma and the Bachelor of Teaching (Early Childhood Education) require three years of full-time study. As well as being delivered by universities, early childhood teaching diplomas and degrees are delivered by other providers, such as the NZ Childcare Association (NZ Childcare Association 2011).

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#### **Box D.1      Towards 100 per cent registered teachers in ECE?**

In 2002, the New Zealand Government considered that ‘many ECE teachers in New Zealand are not qualified, yet there is a strong correlation between quality ECE and teacher qualifications’ (Ministry of Education 2002, p. 6).

In response, it adopted a goal that all staff in teacher-led early childhood education (ECE) services would be registered teachers by 2012. Intermediate goals included that 50 per cent of staff in teacher-led ECE services would be registered teachers by 2007, and 80 per cent would be registered teachers by 2010. A range of scholarships, grants and support programs were put in place to help increase the number of registered teachers (Ministry of Education 2002). ECE providers were also encouraged to employ up to 100 per cent registered teachers with higher funding for services with higher proportions of registered teachers.

However, in late 2009, only around 60 per cent of ECE staff were registered teachers, and the timeframe for achieving the 80 per cent teacher registration target in ECE services was extended to 2012.

... the target of 80 per cent registered teachers by 2010 is not achievable and 2012 is a more realistic target. It is estimated that over 1000 teacher-led, centre-based ECE services would be at risk if the 80 per cent target had to be met by [2010]. Extending the timeframe will reduce the immediate pressure on teacher-led, centre-based ECE services and ease the demand for registered teachers in the short-term. (Ministry of Education 2009a)

The 100 per cent registered teacher target was also deferred indefinitely. Moreover, in the 2010 budget the New Zealand Government reduced the subsidy rate for registered teachers in ECE centres. It also removed the highest subsidy rate, which was previously payable to centres with more than 80 per cent registered teachers (Tolley 2010). The number of ECE centres employing 100 per cent registered teachers and the future of the 100 per cent registered teacher target remains unclear.

Remuneration of ECE teachers varies greatly between services. Kindergarten teachers have pay parity with primary teachers, but represent only 12 per cent of the ECE workforce (ECE Taskforce 2010). In the most recent Kindergarten Teacher’s Collective Agreement, a teacher with a bachelor degree would earn \$NZ44 348 in their first year of practice (Ministry of Education 2009b). Kindergarten teachers tend to be better paid than teachers in services other than kindergartens, where salaries are negotiated on an individual basis or covered by a collective agreement (Davison and Mitchell 2008; Teach NZ and Ministry of Education 2011).

There is considerable unmet demand for qualified early childhood teachers in New Zealand. The number of ECE teacher vacancies increased by nearly a third between November 2008 and November 2009, and the occupation is on Immigration New Zealand’s long-term skill shortage list (Career Services 2010b). To help address this gap, qualified and registered primary teachers can now be counted as qualified ECE teachers in teacher-led ECE services for funding purposes (Ministry of Education

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2011b). However, there are also longstanding and severe shortages of primary and secondary school teachers (Lonsdale and Ingvarson 2003).

### *Recent developments in ECE in New Zealand*

#### *20 Hours ECE*

Since 2007, New Zealand children from age three to school age have been able to access up to six hours per day and up to twenty hours per week of ECE. This is known as ‘20 Hours ECE’ and is provided at no cost to families (though services can levy optional charges for food, activities, excursions and staffing levels in excess of government requirements). Initially only available in teacher-led ECE services, since 1 July 2010 parent-led ECE services have also been eligible to provide ‘20 Hours ECE’ (Ministry of Education 2010).

On average, fees fell by 34 per cent immediately after the introduction of ‘20 Hours ECE’. Participation rates, however, have increased by only one per cent (ECE Taskforce 2010; 2011b). There was also a shift in demand from kindergartens (generally part-day services) towards education and care centres and home-based care organisations (which generally provide full-day care).

#### *Large funding increases and mounting cost pressures*

The New Zealand Government has made a substantial investment in ECE in recent years, with expenditure increasing by 300 per cent between 2004-05 and 2010-11, to \$NZ1.2 billion per year (Ministry of Education 2011a). This equates to around \$NZ7600 per year for every child who attends an ECE centre, compared to \$NZ6700 for an average secondary student and \$NZ5500 for primary students (Tolley 2011). Increases in ECE funding have primarily been used to fund ‘20 Hours ECE’.

Despite ‘20 Hours ECE’, costs to families appear to have increased in some areas, with reports that the costs of kindergarten rose 11.7 per cent in the year to March 2011. This has led to concerns that ECE is becoming unaffordable for low socioeconomic status families (New Zealand Kindergartens 2011). There are therefore moves towards greater targeting of ECE funding, with the New Zealand Government intending to ‘make sure [ECE] can be accessed by those families who are not currently taking part, but who will benefit the most’ (Tolley 2010).

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### *ECE Taskforce*

In late 2010, the New Zealand Government established an expert ECE Taskforce. The taskforce was, among other things, required to:

undertake a full review of the value gained from the different types of government investment in ECE in New Zealand; consider the efficiency and effectiveness of current ECE expenditure ... and consider how to achieve its recommendations without increasing current government expenditure. (ECE Taskforce 2011a, p. 14)

The taskforce reported in June 2011. In addition to emphasising the importance of ECE, the taskforce considered that ‘priority needs to be given to lifting early childhood education outcomes for Māori and Pasifika children and those from families of lower socioeconomic backgrounds [and] ensuring appropriate services are available for all children with special education needs’ (ECE Taskforce 2011a, p. 3). To better target and support these groups of children, the taskforce recommended changes to funding mechanisms, increased professional development for staff and putting ‘more squeeze’ on lower quality providers (ECE Taskforce 2011a, p. 4).

### *Out of School Care And Recreation*

Outside school hours care in New Zealand is known as OSCAR (Out of School Care And Recreation). OSCAR programs provide care and recreation before and after school and during school holidays for children aged from five to 13. To be eligible for childcare subsidies, OSCAR programs must be approved by Child, Youth and Family (part of the Ministry of Social Development). Subsidies are paid directly to OSCAR programs rather than to families.

Approved OSCAR programs must meet certain minimum standards. While the standards do not contain staff-to-child ratios, they require that children are always supervised by a minimum of two staff at all times. Staff must be ‘qualified and competent’ (though there are no formal qualification requirements), undergo a police check and be over 16 years of age (Child, Youth and Family nd, p. 14). The standards also require OSCAR programs to provide adequate training and support for all staff, without specifying what this might involve (Families Commission nd). Training opportunities include short courses and networking sessions offered by the OSCAR Foundation, and an OSCAR certificate delivered via distance education by the Open Polytechnic (OSCAR Foundation nd).

On average, workers in OSCAR programs in 2009 reported earning \$NZ13.76 per hour, compared to the minimum wage of \$NZ12.50 per hour (Oscar Foundation 2009). Few services appear to have concerns about the quality or availability of

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OSCAR staff. While parents express a preference for qualified staff, they have little knowledge of the availability of such qualifications (Families Commission 2007).

## **Child health services in New Zealand**

Like Australia, New Zealand has a universal system of child health services or ‘well child care’, which includes a ‘screening, surveillance, education and support service offered to all New Zealand children from birth to five years and their family’ (Ministry of Health 2002, p. 1)

The largest provider of well child care in New Zealand is Plunket, a not-for-profit organisation (Plunket ndc). The New Zealand Ministry of Health provides funding for Plunket to deliver eight ‘well child checks’ to children aged between four to six weeks and five years. Health care in the weeks immediately following a baby’s birth is organised separately, with mothers receiving at least seven postnatal visits from their maternity carer (obstetrician, midwife or general practitioner) in the first four to six weeks. Of these seven visits, at least five must be home visits (Ministry of Health 2010a).

As well as government contributions, Plunket funds its work with donations and corporate support. Commercial sponsors include Huggies nappies and Watties (manufacturers of baby food). Plunket also makes use of volunteers, with around 8000 volunteers involved in its child health and family support programs.

Attendance at Plunket centres is high, with parents of more than 90 per cent of new babies accessing some aspect of Plunket’s well child health service (Plunket ndc). Plunket employs around 650 clinical staff, most of whom are child health nurses (who are known as ‘Plunket nurses’) (Plunket nda). Plunket nurses are registered nurses who have completed a Postgraduate Certificate in Primary Health Care (Specialty Nursing: Well Child/*Tamariki Ora Strand*). Plunket recruits around 100 registered nurses per year, and supports them to study for this certificate while they work (Plunket ndb).

As at 1 July 2011, qualified Plunket nurses are paid \$NZ57 715 in their first year of practice (New Zealand Nurses Organisation 2010b). This is more than a community health nurse with four years experience employed by a district health board, who earns \$NZ55 226 per year (New Zealand Nurses Organisation 2010a). Despite receiving subsidised postgraduate study and wages that are the same or higher than many other nurses, shortages of Plunket nurses have been reported in some areas (Career Services 2009).

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Another type of worker involved in providing child health services in New Zealand is the community Karitane worker. These workers work alongside Plunket nurses and assist them in certain tasks, including measuring and weighing babies, monitoring child development and providing support to families, especially the caregiver and child (Career Services 2010a). After finishing high school, community Karitane workers obtain a certificate qualification in well child care. (This is the same well child certificate that Plunket nurses obtain in addition to their nursing degrees.) First-year Karitane workers employed by a district health board earn \$NZ40 908 per year (New Zealand Nurses Organisation 2010a).

## Family support services in New Zealand

A wide range of family support services are available to New Zealand families, funded by several New Zealand Government ministries.

- In addition to being centres for early childhood education, playcentres run parenting programs designed to increase parents' skills and confidence. Some playcentres offer parent education programmes that are accredited by the New Zealand Qualifications Authority (Podmore and Te One 2008). Attending a parent-led ECE services can have positive effects on parenting (Ministry of Education 2009a).
- Strategies with Kids — Information for Parents provides support, information and parenting strategies for parents and caregivers of children under five years of age. It provides free parenting resources and has funded hundreds of local organisations to support local families (SKIP nd).
- As well as antenatal classes, Parents Centre New Zealand offers six parenting education courses at 50 centres around New Zealand (Parents Centre 2011).
- The Parents As First Teachers program has operated in New Zealand since 1991. It is based on the US Parents as Teachers program, and employs qualified early childhood teachers to conduct home visits and provide support and advice to families at risk (Ministry of Family Services 2010).

Because many family support programs are mainly or exclusively delivered by early childhood teachers, the current high demand for early childhood teachers has also affected family support services.

In addition to mainstream programs, there are a number of family support programs targeted at Māori families. For example, the *Whanau Toko I Te Ora* (WTITO) program provides support, advocacy and role modelling for very high need Māori families. It is delivered by local *kaiawhina* (Māori family workers), and consists of home visiting and group meetings. Despite some evidence that WTITO leads to a

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range of improvements in family functioning, concerns have been expressed about ethnic targeting of family support programs. ‘Evidence does not demonstrate that programmes designed and delivered to a particular ethnic group by members of the same group are more effective than mainstream programmes, for minority ethnic groups’ (Ministry of Education 2005, p. 2).

New Zealand also has an independent statutory body charged with supporting and advocating for families. The Families Commission ‘speaks out for all families to promote a better understanding of family issues and needs among government agencies and the wider community’ (Families Commission nd).

## **D.3 Denmark**

Denmark is renowned for universal public provision of many services, and ECD is no exception. The public sector has the predominant role in provision of ECD services, however about 30 per cent of day care facilities are provided by independent not-for-profit providers (OECD 2006). Denmark is considered to be a world leader in positive child outcomes, and is among the top-rated nations for child wellbeing (UNICEF IRC 2007). These outcomes are supported by high public expenditure — a comparatively large 2.1 per cent share of gross domestic product (GDP) is spent on ECEC services (OECD 2006).

### **ECEC services in Denmark**

ECEC policy in Denmark is administered by the Ministry of Social Affairs, reflecting the Danish philosophy that the primary purpose of ECEC is social development, rather than education.

[ECEC services in Denmark] are understood to have an educational role, but the pedagogical orientation distinguishes education from schooling. These services therefore are not so much concerned with preparation for school and school education, as with leading the good life and all round development, with a strong emphasis on social and cultural capabilities and with a particular understanding of the child. (Korintus and Moss 2004, p. 31)

This approach is embodied in the Danish ECEC workforce’s main professional group — the pedagogue, or social educator of children and youth (box D.2).

The other main professional group in ECEC services is the pedagogue assistant. No formal qualification is required for an assistant role, with much of this workforce consisting of young people spending a year or two working before going on to

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further study. Pedagogues and pedagogue assistants are present in all ECEC settings.

#### **Box D.2 Pedagogues in Danish children's services**

The dominant profession in Danish children's services is the pedagogue, which can best be described as 'social educators for children and youth' (OECD 2006, p. 313).

Pedagogy [is] a holistic concept that recognises the whole child and the inseparability of care, education, health and upbringing. (Korintus and Moss 2004, p. 2)

A pedagogue's role is not limited to the education of children, also offering advice and guidance to parents on issues in upbringing and child development (Boddy et al. 2009). Pedagogues work across all early childhood and outside school hours care services and also in some family support and social services roles, such as in aged care.

#### **Training**

Pedagogue training consists of a three-and-a-half year course which leads to a degree. Trainee pedagogues study a variety of subjects, including pedagogy, psychology, environmental health and social studies, communication, organisation, management, music, drama and other creative subjects. Pedagogue training includes 15 months of work placements. The initial three-month placement is unpaid, and the student does not count as a member of staff in their placement institution. There are two other placement periods, each consisting of six months of paid work with the student counting as a member of staff. Students typically begin training after having worked as pedagogue assistants (Korintus and Moss 2004).

#### **Unionisation**

Unlike other countries, where ECEC teachers are usually part of a teachers' union, Danish pedagogues have a union of their own — the Danish Union of Early Childhood and Youth Educators (BUPL). The BUPL organises more than 95 per cent of all pedagogues in Denmark (BUPL 2009a).

#### **Wages, conditions and career progression**

Danish pedagogues typically work 37 hours per week, with six weeks annual leave. Average monthly salary is Dkr23 500 (\$4230), or Dkr31 000 for managers (\$5500). Salary and working conditions are fixed nationally by collective bargaining every third year (BUPL 2009b). The average monthly income in Denmark is approximately \$2700 (Statistics Denmark 2011).

The requirement that all managers of ECEC services be qualified pedagogues provides a clear career path for pedagogues, compared with other countries where the managers of services are generally not required to have tertiary qualifications.

*Sources:* Boddy et al. (2009); BUPL (2009a, 2009b); Cameron (2006); Korintus and Moss (2004); OECD (2006); Statistics Denmark (2011).

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Danish ECEC services experience few of the workforce retention and recruitment difficulties that are apparent in other countries. The steady rise of female workforce participation in Denmark over the past 30 years, has contributed to an expansion of the pedagogue workforce. As in most other countries, the ECEC workforce is female dominated. However, a comparatively large proportion of the Danish ECEC workforce is male, with men comprising 8 per cent of pedagogues in crèche and family day care (FDC), and 25 per cent of staff in outside school hours care (OSHC). Also, pedagogues command a higher wage and professional status, and are ‘skilful, resourceful, autonomous and reflective’ (Boddy, Cameron and Petrie 2006, p. 103). Hence ECEC roles are attractive, and Danish ECEC services have high staff retention rates (Korintus and Moss 2004).

ECEC policy is the responsibility of the Danish Government, which has legislated a right for all children aged between six months and six years to access childcare. Provision and operation of ECEC services is the responsibility of the municipalities (Boddy et al. 2009). All ECEC services, except for FDC services, have a manager and deputy manager, and both are required to be qualified pedagogues. Beyond this, there are no legislated staff-to-child ratios or requirements for the remainder of staff in an ECEC service to be qualified. Other than FDC, where staff are typically unqualified, approximately 60 per cent of staff in ECEC services are qualified pedagogues (OECD 2006).

Most children are in parental care until they are at least six months old, with entry into ECEC services common when they are one year of age. This is supported by a generous parental leave system offering up to 52 weeks leave (maternity, paternity and parental) — depending on a worker’s employment situation and collective agreement, compensation can reach the full level of salary for the full duration of the leave (Eurochild 2010).

ECEC in Denmark differs by age group. Children from six months to three years of age attend mainly FDC or crèche services. Children from three to seven years typically attend kindergarten. Those aged six to ten attend OSHC. There are also a minority of mixed-age services that cater for children from six months to nine years. Children in Denmark begin primary school classes at age seven.

Participation rates are high in all ECEC services. This supports a workforce participation rate for mothers of children under six of 77 per cent. This is the second highest in the European Union, after Sweden (Eurochild 2010).

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### *Family day care and crèche*

Two-thirds of children aged six months to three years use FDC and crèche services, most for more than 30 hours per week (Boddy et al. 2009; Eurochild 2010). Crèches are similar to Australian long day care services, but do not provide preschool services. The average staff-to-child ratio in crèches is 1:3.3 (OECD 2006).

FDC staff are permitted to provide day care for up to five children in their own home (Broström and Hansen 2010), though the average ratio is one staff member to 3.5 children (OECD 2001). Most FDC staff are employed by the relevant municipality. FDC staff work 48 hours per week (OECD 2006).

Fees paid by parents for FDC and crèche vary according to family income: lower income families pay a reduced rate, or receive the service free of charge. In total, parents pay approximately 25 per cent of the cost of childcare, with the remainder met by municipalities (OECD 2006).

### *Kindergarten*

Kindergarten attendance is not compulsory, however 93 per cent of Danish children aged three to six attend kindergarten services (Boddy et al. 2009), and 82 per cent attend for more than 30 hours per week (Eurochild 2010). As of July 2010, kindergarten was free for children aged between three and six for up to 15 hours per week (Eurochild 2010), and when not free, fees to parents are similar to those of FDC and crèche services.

Kindergarten services for 6-year-olds are attached to primary schools, and are intended to transition children from ECEC environments to school environments. At many schools this integration continues into the first and second years of primary schooling, with teachers from these levels and kindergarten pedagogues teaching across all three year levels.

The average staff-to-child ratio in kindergartens is 1:7.2 (OECD 2006).

### *Outside school hours care*

All children aged six to ten are guaranteed provision of OSHC (Boddy et al. 2009). Approximately 80 per cent of children aged six to ten attend OSHC services. The average staff-to-child ratio is 1:13.7. Consistent with the rest of the ECEC sector, the majority of the ECEC workforce in OSHC services are qualified pedagogues (OECD 2006).

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## Child health services in Denmark

All Danish medical care is a public service, financed by the tax system and available to all, regardless of income. The child health program consists of routine check-ups until the child is six, home visits by a community nurse until the child is 18 months old, an immunisation schedule, and parent education and support. As well as conducting health checks, the community nurse has some responsibility for the early identification of parenting difficulties, including neglect and maltreatment. In this role, the nurse may provide support, counselling and intervention to parents.

The municipalities are responsible for health service provision, and these services work closely with ECEC services. School health services take over responsibility for child health provision when children begin compulsory schooling at age seven (Clearinghouse on International Developments in Child, Youth and Family Policies 2004).

Those training to be a nurse in Denmark must complete a three-and-a-half year degree, including one-and-a-half years of clinical training in hospitals and other social and health services. During teaching periods, students spend approximately 40 hours per week attending classes or clinical placements. Students may choose to complete part of their education in another country (Council of Directors in Nursing Education in Denmark 2011).

Community health nurses are paid between DKr22 800 and DKr26 000 per month (\$4100–\$4700), depending on experience (DNO 2009). This is similar to the salary of pedagogues. Nurses have recently been removed from a list of professions currently experiencing shortages in Denmark (Danish Immigration Service 2011). Nurses in Denmark are being allocated some responsibilities which previously fell to doctors, in order to combat a doctor shortage. Though there are no senior nursing positions to provide career progression, increased salaries are offered to those who demonstrate high levels of proficiency (Attree et al. 2011).

## Family support services in Denmark

Several mainstream parenting programs exist in Denmark.

- The Parental Guidance Programme takes place in a group setting, inviting parents to discuss their children's behaviour, and their own response to it. The facilitator works on replacing negative perceptions with more positive ones.
- Ready for Baby is a course directed at pregnant women and their partners. It comprises four two-and-a-half hour sessions, one of which takes place postnatally. The course develops participants' knowledge and expectations about

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having a child. Facilitators — usually nurses, social workers or psychologists — have four days of dedicated training for the course.

- Firm Footing is aimed at parents of children aged from 18 to 36 months. It builds knowledge of child development and of issues such as sleep, diet, exercise and daily life. The program was developed in Denmark. It has not yet been evaluated (Boddy et al. 2009).

### *Services for at-risk families*

Where families have been identified as being in need of additional support (usually by the community nurse), they may be referred to family support services which are staffed by pedagogues, social workers and psychologists. Parents may also attend these services voluntarily. The services usually focus on developing parenting skills, delivering counselling and providing support networks, in addition to those programs mentioned above. Family support services are provided free of charge (Boddy et al. 2009).

In contrast to other countries that typically ration social workers to those with the most acute needs, each citizen of Denmark is — at least nominally — allocated a social worker. When social workers are not engaged actively with one of their allocated citizens, they work in family support services, or with community nurses and pedagogues in other settings (Boddy et al. 2009).

## **D.4 France**

### **ECEC services in France**

France spends approximately one per cent of GDP on education and care for young children (OECD 2006). Within this budget, there is a strong division between child care (for children under three) and preschool education (for children aged three to six) (Rayna 2010).

Integration of child care or preschools with child health and family support services is very rare. This separation is accentuated by the division of responsibility for ECD services between different levels of government. While the majority of ECD services are funded or provided by the French National Government (*République Française*), universal child health services are the responsibility of departments (*départements*).

Almost two thirds of French children under three years of age are cared for by their parents, one of whom is entitled to unpaid parental leave until a child's third

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birthday. Families also receive the ‘young child care payment’ (*Prestation d’accueil du jeune enfant* — PAJE) until a child’s third birthday. The base rate of PAJE is €180.62 per month. Most families receive PAJE payments (effectively providing childcare subsidies to parents on parental leave as well as to those who continue working) (CAF nd).

### *Childcare services and childcare staff*

Of the third of children under three who do attend formal care, most are cared for by licensed maternal assistants (*assistantes maternelles*). Maternal assistants operate in a similar manner to Australian FDC educators, providing care for up to four children in the carer’s own home. Maternal assistants must complete 120 hours of training and hold a first-aid certificate. Though there is nothing to stop men entering the occupation, maternal assistants are essentially a female workforce (Fagnani 2002). Maternal assistant networks (*relais assistantes maternelles*) provide support to maternal assistants, organise group activities for assistants and children and help parents to find childcare places with assistants (Vérité 2008).

There are many different types of long day care, occasional care and similar childcare centres in France, run by local governments, employers, parent associations and non-government organisations. In total, these various childcare centres are attended by around 10 per cent of French children under three years of age.

Childcare centres are generally run by paediatric nurses (*puéricultrices*), who are qualified nurses or midwives who also have a one-year qualification in child health. Paediatric nurses are assisted by paediatric nurse assistants (*auxiliaire de puériculture*), who have completed one year of post-school vocational training.

At least half of the staff at a childcare centre must be paediatric nurses, paediatric nurse assistants or early childhood educators (*éducateurs de jeunes enfants*). The latter hold a three-year qualification in education of children under three years of age. Early childhood educators are not considered to be teachers and do not work in preschools.

A further quarter of the staff in childcare centres must hold some type of qualification in any health or social welfare discipline. The remaining quarter of the staff are not required to hold any qualifications, as long as they are supported by their employer to perform their work (OECD 2006).

Staff-to-child ratios in childcare centres are determined not by a child’s age but by the child’s mobility, with ratios set at one carer to five children who cannot walk

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and one carer to eight children who can walk (ENA 2006a). There is no curriculum in childcare services, which are primarily concerned with children's health, wellbeing and 'awakening' (*éveil*).

There are considerable shortages of childcare services and workers in many parts of France, notably in rural areas and in disadvantaged areas of major cities (where the homes of potential maternal assistants are often too small for them to be able to offer licensed care). Suggested policy responses include changes to subsidies to make maternal assistants more affordable for low-income families, and encouraging employers to contribute to the cost of child care (Tabarot 2008). Another proposed response is the creation of a legally enforceable right to child care. However, there remain considerable practical and theoretical obstacles to doing so (République Française 2008). Progress towards, and discussion of, creating a right to child care appears to have stalled in recent years.

OSHC for older children is provided in separate 'vacation and leisure centres' and 'after school centres' (box D.3).

#### *Preschool services and preschool staff*

Children in France have a legal entitlement to attend preschool (*école maternelle*). This has led to more than 99 per cent of three-year-olds being enrolled in preschool. Many two-year-olds also attend preschool, with early school attendance commonly viewed as a means of addressing social inequality. Most two-year-olds who attend preschool therefore come from disadvantaged areas, non-French-speaking backgrounds or rural areas (where other childcare options are limited).

There is an ongoing and vigorous debate in France about the benefits of preschool for two-year-olds, with recent research suggesting that the benefits of early attendance at preschool quickly dissipate (Papon and Martin 2008). Governments in France have therefore become more reluctant to fund preschool places for two-year-olds.

French preschools do not charge fees to parents and operate for 24 hours each week during school terms (36 weeks per year) under the direction of the education ministry (Ministère de l'Éducation Nationale 2010b). In contrast to the play-based curriculums that have recently been adopted in Australia and other English-speaking countries, French preschools provide little time for play (Papon and Martin 2008).

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### Box D.3      **Vacation and leisure centres for children**

In France, outside school hours care and vacation care are managed and staffed separately to child care for younger children. After-school care is increasingly being provided by schools, while separate vacation and leisure centres generally provide care on Wednesdays (when most primary schools are closed) and during school holidays (16 weeks per year, as opposed to 12 weeks per year in Australia).

#### **Educational support after school**

Most primary schools offer an after school care program that includes sport, leisure, cultural activities and help with homework. The focus of such programs can vary considerably between schools. In disadvantaged areas, particular emphasis is placed on educational support (*accompagnement éducatif*). Children in designated disadvantaged areas are entitled to attend two hours of free educational support after school four days per week, where they receive help with homework and participate in activities designed to extend their general knowledge. Parenting support is also provided in some cases. Two-thirds of the staff in educational support programs are teachers, who are paid overtime for their work in such programs.

#### **Vacation and leisure care**

A wide variety of vacation and leisure care are offered in France, including holiday camps, day camps and sporting and artistic centres. The regulation of vacation and leisure centres is increasing in scope — in recent years centres have been required to develop educational and pedagogical plans, though there is little scrutiny of the content or quality of such plans.

The basic qualification for vacation and leisure staff is the play-leader certificate (*Brevet d'aptitude aux fonctions d'animateur en accueils collectifs de mineurs*). The certificate is awarded after a total of 28 days of study and work experience. Government funding is available to assist high schools students, low-income university students and social security recipients to obtain a play-leader certificate. This has the dual aim of promoting increased workforce participation among disadvantaged groups, and increasing the play leader workforce.

*Sources:* Boddy et al. (2009); Busy (2010); Hetzel and Cahierre (2007); Lambert and Suchaut (2010); Ministère de l'Éducation Nationale (2011); Veyrinas and Pequignot (2007).

French preschools have an average staff-to-child ratio of 1:19 (Gupta and Simonsen 2007) and are mainly staffed by teachers (*professeurs des écoles*). Preschool teachers have the same salary, conditions, professional status and career opportunities as primary school teachers (and many junior high and high school teachers).

Teachers are considered to be civil servants and, like all French civil servants, are recruited on the basis of an entrance exam. Until 2009, to be eligible to sit the teacher entrance exam, candidates were generally required to have obtained an

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undergraduate degree (in any subject). Successful candidates then completed a year of study at a university-based teacher training institute prior to commencing in the classroom.

In an effort to improve education standards, candidates for the teaching exam now need to hold a masters degree in any subject. Parents with at least three children and high-level athletes are exempt from this requirement (Ministère de l'Éducation Nationale 2010a). All candidates, without exception, must hold first aid and swimming certificates. Under the new system, successful candidates are immediately employed as teachers in preschools and schools, and are mentored and trained during their first year of teaching (République Française 2010). There was considerable concern about the introduction of the new training system, focusing on:

- whether the requirement to complete extra university study prior to sitting the entrance exam may discourage potential teachers from disadvantaged backgrounds, reducing the social diversity in the teaching workforce
- the difficulty in finding teachers to replace new graduates in the classroom while they undertake teacher training (République Française 2010).

There is also continuing concern about whether training preschool teachers together with primary school teachers provides the former with the skills for working with very young children (for instance, Bentolila 2007; Haut Conseil de l'Éducation 2007). This perceived lack of pedagogical skills may contribute to the relative unpopularity of preschool teaching, with 90 per cent of trainee teachers preferring to work in primary schools rather than preschools.

## **Child health services in France**

France has a maternal and child welfare service (*protection maternelle et infantile* — *PMI*) staffed by paediatric nurses, midwives, doctors and counsellors. It provides a range of services, including:

- prenatal care, including a detailed interview with a midwife in the fourth month of pregnancy
- child health checks, notably at eight days, nine months and two years (checks at these ages are compulsory for families receiving the PAJE child care payment)
- home visits, especially for vulnerable families
- discussion groups and parenting support, which is a growing part of the work of the PMI centres
- regulation and licensing of childcare services (Jourdain-Menninger et al. 2006).

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Around 20 per cent of children in France, including 50 per cent of children under one year of age, regularly attend PMI centres. PMI services are provided at no cost to families. They therefore primarily serve disadvantaged families (Jourdain-Menninger et al. 2006), with families that can afford to do so obtaining child health services from paediatricians. Around half of French paediatricians do not work in hospitals, instead providing primary care services in private clinics (ENA 2006b).

PMI centres have little difficulty in recruiting paediatric nurses, as the number of nurses in France has been increasing. However they have considerable difficulty recruiting doctors, as doctors earn less in the PMI than they would working in a hospital or in private practice (Jourdain-Menninger et al. 2006).

## **Family support services in France**

While the PMI provides discussion groups and some parenting support services, the national government has also instructed local authorities to establish ‘listening, support and parenting assistance networks’ (*Réseaux d’écoute, d’appui et d’accompagnement des parents* — REAAP). The REAAP networks do not have ongoing funding and cannot employ permanent staff, and so rely on partnerships and cooperation between social support services, non-government organisations, volunteers and parents themselves. Indeed, parental engagement and empowerment are among the main goals of REAAP networks:

Parents can initiate REAAP projects, or contribute to setting them up, to running them, to defining them, and to evaluating them. Professional input — for example from social workers — can be used ‘to provide certain specific competences’ such as the ‘animation’ (coordination and activation) of discussion groups, but also to offer advice or suggest directions to already-existing intervention structures in the department.’ (Boddy et al. 2009)

Because REAAP networks are led by parents at the local level, they inevitably vary in scale and quality (Bastard 2007). While the overall effectiveness of REAAP networks has not been evaluated, initial indications suggest that they have been effective in improving parenting skills in some areas, and in raising the value and profile of parenting (Roussille and Nosmas 2004).

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## D.5 England

### Sure Start Children's Centres

The provision of ECD services in England is based around an extensive network of Sure Start Children's Centres.<sup>1</sup> Each children's centre is an integrated hub that offers ECEC, family support, health services, employment advice and a range of other services for parents and children. While the range of services offered by each centre differs according to the needs of the local community, the core offering includes childcare and early learning, child health services, advice on parenting and help for parents to find work or training opportunities (House of Commons Children, Schools and Families Committee 2010a). Many children's centres also offer additional services, such as parenting classes, English classes and allied health services. Outreach services are provided in disadvantaged areas. More detail on children's centres and their effectiveness is provided in chapter 15.

The mix of staff employed in children's centres depends on the range of services offered. Childcare staff are employed in most children's centres, as 45 per cent of children's centres offer sessional child care and a further 35 percent offer full-day care (Phillips et al. 2010). Other staff commonly employed at children's centres include health visitors and staff with Early Years Professional status (see box D.5 below). Until recently, children's centres in deprived areas were required to hire someone with both Early Years Professional status and qualified teacher status (Department for Education 2010a).

The number of children's centres and the range of services they provide has rapidly expanded since Sure Start was first established in 1999. In 2010, there were more than 3600 children's centres throughout England, making them more numerous than secondary schools (House of Commons Children, Schools and Families Committee 2010a). This rapid expansion has led to staffing difficulties, with reports that 'some children's centres are employing staff with low levels of skill, experiences or qualifications. They are often overwhelmed and have insufficient experience to work with the most complex families ...' (House of Commons Children, Schools and Families Committee 2010a, p. 35). To improve service quality and leadership of children's centres, several early years leadership training programs have been established.

- The National Professional Qualification in Integrated Centre Leadership is a one-year, masters-level qualification designed to be completed by those already working as a leader of a children's centre (NCLSCS nd).

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<sup>1</sup> Independent legislatures and ministries are responsible for various ECD services in Northern Ireland, Scotland and Wales.

- The New Leaders in the Early Years Program is designed for able graduates in early years disciplines. The program takes two years and, in addition to gaining leadership and management skills and experience, graduates obtain an MA Early Years and Early Years Professional status (see below) (Canterbury Christ Church University nd).

Since late 2010, the UK Government has sought to make early childhood services more targeted towards disadvantaged children, and ‘refocus children’s centres on early intervention’ (Department for Education 2010b). While the UK Government previously provided local authorities with dedicated funding for children’s centres, this allocation has now been pooled with that for early education for disadvantaged two-year-olds, mental health in schools and support for vulnerable youth (Department for Education 2011a). This has resulted in a diminution of funding for children’s centres, with reports of reduced services and centre closures in many areas (BBC 2011). Other recent changes include abolition of the Children’s Workforce Development Council, which will close in 2012 (Gove 2010).

## Early learning and care services in England

In addition to Sure Start Children’s Centres, a range of other ECEC services are available in England. In 2009, there were approximately 103 000 early learning and care providers in England offering over 2.4 million places (table D.1).

**Table D.1 Early learning and care providers in England, 2009**

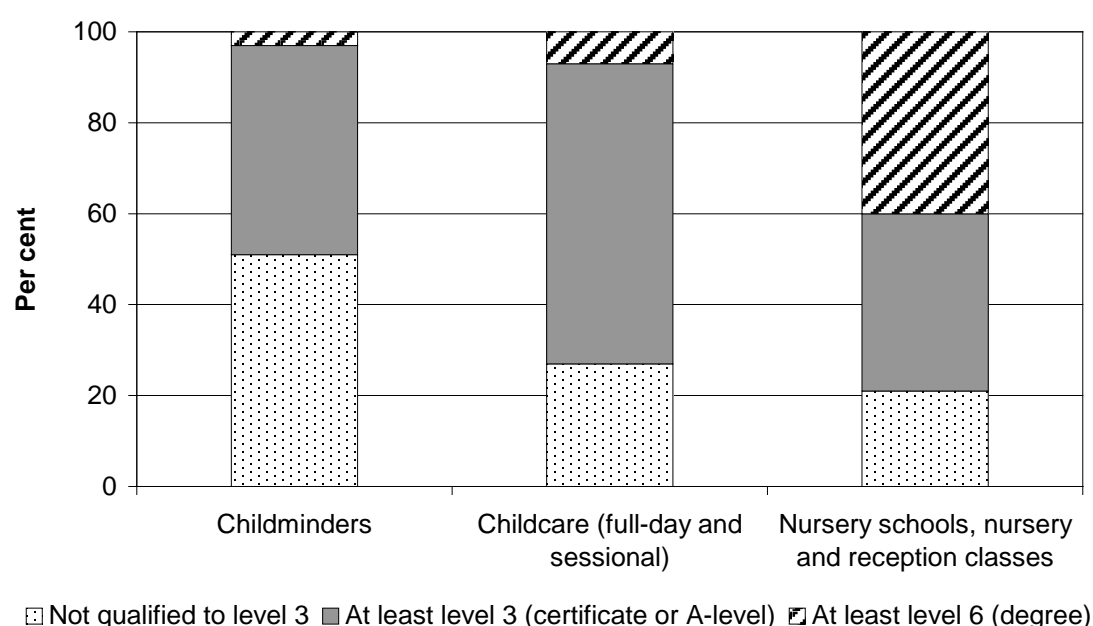
	<i>Number of providers</i>
Full day care — including children’s centres	14 100
Sessional providers — including day care for less than four hours in any day, in non-domestic premises	7 800
After school clubs	7 900
Holiday clubs	6 400
Registered childminders	51 000
Nursery schools	450
Primary schools with nursery and reception classes	6 700
Primary schools with reception but no nursery classes	8 600

*Source:* Tickell (2011a).

Across all early learning and care providers and all staff types, 72 per cent of the paid workforce was qualified to at least level 3 (equivalent to at least one A-level or a certificate qualification) and 13 per cent are qualified to at least level 6 (equivalent to a degree) (Tickell 2011a). Staff qualifications vary between settings, with degree-qualified staff more common in nursery schools, nursery classes and

reception classes (figure D.1). There are also a large number of unpaid volunteers in the English childcare workforce — in 2009, there were around 40 700 unpaid staff (Tickell 2011a).

Figure D.1 **Qualifications of ECEC staff in England<sup>a</sup>**



<sup>a</sup> Excludes outside school hours care.

Source: Tickell (2011a).

All providers of early learning and care must follow the Early Years Foundation Stage (EYFS), which is both a regulatory framework and a curriculum framework (box D.4).

All 3- and 4-year-olds in England are entitled to 15 hours a week of free early learning and care (commonly called nursery education) for 38 weeks a year. While generally delivered in nursery schools and nursery classes, the 15-hour entitlement can also be ‘delivered flexibly to suit parents’ or carers’ needs’ (Tickell 2011a, p. 10). Around 95 per cent of 3- and 4-year-olds take up the free entitlement offer.

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#### Box D.4     **Early Years Foundation Stage**

Since 2008, the Early Years Foundation Stage (EYFS) is a comprehensive statutory framework for the education and care of children from birth to five years of age. All providers of early childhood education and care are required to use the EYFS. In addition to setting quality and welfare standards (like Australia's National Quality Standard), the EYFS sets learning goals (like Australia's Early Years Learning Framework):

The current EYFS has 6 areas of learning and 69 learning goals. These goals are used to monitor children's progress while they are in pre-school. At the age of 5 they are assessed against these goals, on a 117 point scale, as part of the EYFS profile. (Department for Education 2011b)

A recent independent review of the EYFS by Dame Clare Tickell found that:

While parents and early years professionals agree that the EYFS has had a positive impact on children's outcomes and helped to raise standards, in its current form there is far too much time spent filling in forms and not enough interacting with children ... the EYFS needs to be simplified and made even more accessible for parents and practitioners. ... The current EYFS is cumbersome, repetitive and unnecessarily bureaucratic. (Department for Education 2011b)

In response to the review, the UK Government announced in March 2011 that the EYFS is to be 'radically slimmed down' (Department for Education 2011b). For example, the number of early learning goals will be reduced from 69 to 17, and written risk assessments will no longer be required for excursions.

*Sources:* Department for Education (2011b); Tickell (2011b).

In late 2010, the UK Government announced that the free entitlement to 15 hours of nursery education will be gradually extended to every disadvantaged two-year-old — an increase of around 90 000 places over four years (Department for Education 2010a).

#### *Registered childminders*

Like Australian family day care educators, registered childminders in England care for children in their own home. In order to be registered with the Office for Standards in Education, Children's Services and Skills (Ofsted), childminders must hold a first-aid certificate and undergo a criminal records check. They must also complete an introductory childcare course, with many choosing to undertake a unit called 'understand how to set up a home-based childcare service'. While this unit forms part of the Diploma for the Children and Young People's Workforce, there is no requirement for childminders to go on to complete the diploma qualification (NCMA 2011).

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Ofsted sets the number of children which a childminder can care for. They may care for up to a maximum of six children under eight years of age, of which usually no more than three may be under the age of five years (including the childminder's own children) (NCMA 2010). The number of childminders fell by 12 per cent between 2005 and 2010 (Tickell 2011a), and shortages have been reported, particularly in rural areas (CRC 2009).

Childminders can choose to join a local childminding network. To do so, they must undergo an initial assessment process, participate in on-going monitoring and hold (or be working towards) a relevant level 3 qualification. They also receive support from a network coordinator and, in some cases, from a qualified early years teacher. The latter enables childminders to be considered as providers of early education for the purposes of 3- and 4- year-old early childhood education funding (NCMA 2009).

### *Day nurseries and other full-day care*

Like Australian long day care centres, day nurseries in England generally care for children from 3 months to school age, and offer care from 8am to 6pm for most weeks of the year. They are run by private individuals, community groups, commercial businesses and employers, and most offer a choice of morning, afternoon or full-day sessions. Some nurseries also provide OSHC for school-age children.

The number of full-day care providers has increased by 81 per cent since 2001 (Tickell 2011a). Staff in nurseries and other full-day care settings (such as Sure Start Children's Centres) generally earn around half the national average hourly wage, or £7.60 per hour on average (Tickell 2011a). Despite the rapid increase in nursery provision and the relatively low wages received by nursery staff, there are few reports of staff shortages.

The UK Government has set a target of ensuring that at least one member of staff in every full-day care setting has a relevant university qualification, while full-day providers in the most deprived areas are to have at least two graduates. 'To support that aim, the Government has introduced Early Years Professional status to help supply a suitable cohort of graduates' (Phillips et al. 2010, p. 15) (box D.5).

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### Box D.5     **Early Years Professional status**

Early Years Professional (EYP) status is awarded to university graduates (from any discipline) who can demonstrate that they meet a set of 39 professional standards when working with children from birth to five years of age. Practitioners with EYP status generally lead the delivery of the Early Years Foundation Stage (EYFS) in full-day care settings.

Five different training pathways for EYP status have been established to accommodate the different training needs of early years graduates, primary and secondary teachers, and graduates from other disciplines. (Qualified teachers comprise around 40 per cent of those completing EYP training.) The training pathways range in duration from 4 to 24 months. The UK Government covers the cost of training and, for EYP candidates already working in the early years sector, also covers the cost of employing replacement staff while candidates attend training. Training is delivered by a panel of training providers under contract for the Children's Workforce Development Council.

Nearly 7000 practitioners have achieved EYP status since it was introduced in 2007, and a further 3600 are in training (Tickell 2011a). Around 22 per cent of private and not-for-profit full-day care providers have at least one graduate with EYP status, and four per cent have at least two (data are not available on full-day centres run by local authorities) (Phillips et al. 2010).

Some aspects of the EYP role are not yet fully resolved. In particular, though the government describes EYP status as being equivalent to Qualified Teacher Status:

Others are less convinced that there is real equivalence between the two statuses. For example, Professor Iram Siraj-Blatchford, Institute of Education, University of London, suggests that Early Years Professionals are unlikely to lead learning as effectively as qualified teachers on the basis that the Early Years Professional Status standards relating to children's learning are only loosely specified and that the related training is not underpinned by the same level of supervision and assessment of practice as for teacher training. (House of Commons Children, Schools and Families Committee 2010b, p. 57)

In response to such concerns, a recent independent review of the EYFS recommended that 'clear career progression routes in the early years through a progression structure for qualifications' be established (Tickell 2011b, p. 45). The mechanisms by which such a structure would be established have not yet been determined.

*Sources:* Children's Workforce Development Council (2008;2010); House of Commons Children, Schools and Families Committee (2010b); Tickell (2011a; 2011b).

### *Playgroups, nursery schools, nursery classes and reception classes*

Early education for English 3- and 4-year-olds is provided in a wide range of settings.

- Nursery schools — many nursery schools are operated by local authorities. They are generally attended by 3- and 4-year-olds on a part-day basis during school

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terms. Attendance at a local authority nursery school is free, though places are limited in many areas.

- Nursery classes — nursery classes are attached to primary schools, but are the same as local authority nursery schools in all other respects.
- Playgroups — playgroups (sometimes also called preschools or private nursery schools) offer sessional care or extended sessions, usually to children from 3 years to school age, though some may accept 2-year-olds. Most are only open during school terms. They are operated by private or not-for-profit providers and charge fees to parents (though 3- and 4-year-olds can generally access their entitlement to 15 hours per week of free early education in these services).
- Reception classes are full-day preschools located on school grounds. Children normally start reception class in a state school in the September after their fourth birthday (University of Cambridge 2011).

Children in government-funded nursery schools and reception classes must be in the care of a qualified teacher. Because of this requirement, staff in nursery schools, and nursery and reception classes have the highest qualification levels of all early learning and care staff (see figure D.1 above). However, the requirement for a qualified teacher to be present is not met on a daily basis in every school and class (OECD 2006).

Staff in nursery schools, and nursery and reception classes earn £14.10 per hour on average. This is slightly less than the national average hourly wage for UK employees in 2009 of £14.43 (Tickell 2011a), but less than the hourly wage of a newly qualified teacher, who starts on a minimum of £16.80 an hour (House of Commons Children, Schools and Families Committee 2010b).

Nursery teachers undertake the same training as primary teachers. There are multiple undergraduate and postgraduate pathways for gaining teaching qualifications, generally involving three to five years of university study. However, there are concerns that teacher training does not place sufficient emphasis on the needs of younger children, with the House of Commons Children, Schools and Families Committee considering that ‘current arrangements for initial teacher training mean that early years/primary teachers are not being as well prepared as they could be to support younger children’ (2010b, p. 59).

### *Outside school hours care*

OSHC in England generally includes breakfast clubs, after-school clubs and holiday schemes that operate on school grounds. They generally offer care from 8am to 6pm (University of Cambridge 2011). Some schools, known as extended schools,

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provide additional services (box D.6). In addition to school-based provision, registered childminders provide OSHC for children under the age of eight.

Regulation of OSHC services depends on the age of the children who attend the service. Though there are some minor exemptions, in general:

- any service that cares for children from school age to their eighth birthday must be registered on Ofsted's childcare register
- any service attended by children younger than school age must deliver the EYFS (even if only providing wrap-around care for children who also attend nursery). These services must also be registered with Ofsted (Ofsted 2011).

#### **Box D.6      Extended Schools**

At an extended school, the school works in partnership with local government, local children's health providers and partners from the voluntary, community and private sectors 'to offer access to a range of services and activities which support and motivate children and young people to achieve their full potential' (Department for Children, Schools and Families 2008a, p. 2). These services and activities include:

- outside school hours care and activities, such as homework clubs, study support, music tuition, sport and special interest clubs
- parenting support
- community access to school facilities
- access to targeted and specialist services.

Not every service and activity is provided on-site at every school — access can be through other local schools or through other providers. While early evaluations suggested that extended schools are beneficial, especially in the most disadvantaged communities (Ofsted 2009; Marmot 2010), there have been challenges in implementation.

The development of extended services in and around schools is important, but more is needed to develop the skills of teaching and non-teaching staff to work across home–school boundaries ... (Marmot 2010, p. 25)

In particular, 'integrating social care professionals into extended schools represents a significant shift in working practices' and has not been easy to achieve (Wilkin et al. 2008, p. 35).

While the stated goal was for extended services to be accessible in all schools by 2010, it remains unclear whether this has been attained.

*Sources:* Department for Children, Schools and Families (2008a); Families Commission (2007).

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In both cases, services must meet a staff-to-child ratio of 1:8, and half of the staff must have successfully completed a level 2 qualification (such as the General Certificate of Secondary Education or an equivalent vocational qualification). In addition, the manager must have at least a level 3 (certificate) qualification in a relevant area of work (Ofsted 2010), and at least one staff member in a registered service must have completed other relevant training, such as courses in first aid, food handling and child protection.

Services that are only attended by children aged eight years and older can seek registration on a voluntary basis (Ofsted 2011). At least one staff member in these services must have a relevant level 2 qualification (Ofsted 2010).

## **Child health services and staff in England**

Child health services in England are structured around the Healthy Child Programme (HCP). The HCP provides antenatal care, regular health and development reviews, screening tests, immunisations, health promotion and parenting support.

While HCP aims to deliver a universal preventive service at the same time as focusing on vulnerable babies, children and families, it has struggled to meet both objectives (Department of Health 2009). In addition, there are multiple other policies designed to improve child health — ‘since 1999, there have been 27 national policies (approximately one every six months) aimed at improving the health of under-fives’ (Audit Commission 2010, p. 15).

The HCP is primarily provided by health visitors, who are trained nurses or midwives with specialist training in family and community health (generally a one-year postgraduate degree in specialist community public health nursing/health visiting) (NHS Careers 2008). There are around 8000 health visitors in England (Department of Health 2011).

The professional role of health visitors includes:

- delivering universal child and family health services (the HCP)
- leading health improvement, on subjects such as healthy eating, accident prevention and emotional wellbeing
- helping families stay in touch with wider sources of support through children’s centres, including from the community and other parents.

As discussed above, most health visitors work in Sure Start Children’s Centres. However, the integrated approach offered by Sure Start ‘has not yet resulted in

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significant improvement in health outcomes for the under-fives' (Audit Commission 2010, p. 9). In part, this may be due to current shortages of health visitors.

There are serious concerns about the number of staff available to provide essential early years support. For example, there has been a nearly 13 per cent drop in whole-time equivalent health visitors since 1998 while the number of live births has increased by 8.5 per cent in the same period. (Marmot 2010, p. 102)

To address the shortages of health visitors, the UK Government has recently announced a plan to employ an additional 4200 health visitors by 2015. This represents an increase of over 50 per cent and, to allow for retirement and other losses from the workforce, will require an additional 6000 health visitors to be trained (Department of Health 2011). Health visitors will continue to be paid on the same pay band as other nurse specialists and nurse team leaders (NHS Careers 2011).

## **Family support**

A significant proportion of family support programs in England operate as part of integrated early childhood and school services. Many Sure Start Children's Centres (see above) and Extended Schools (box D.6 above) offer parenting education and family support services.

There are also a variety of other family support programs.

- Home-Start is a charity that is funded by the Department of Education to offer volunteer support to families within their own home (Home-Start UK 2010).
- Family Nurse Partnership (FNP) programme is a preventive program for young first-time mothers. Based on the US Nurse-Family Partnership, it offers intensive and structured home visiting, delivered by specially trained nurses, from early pregnancy until the child is two (Department of Health nd).

As is the case in Australia, a wide variety of workers provide family support services, and each profession brings certain skills and aptitudes to the role. For instance, health visitors provide 'a ready-made home-visiting service generally accepted by disadvantaged families' (Melhuish, Belsky and Barnes 2010a, p. 160). In contrast, family support workers are more likely to provide informal support, and are 'crucial in ensuring lone parents have access to health information and service provision for their children' (Audit Commission 2010, p. 34).

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## D.6 United States

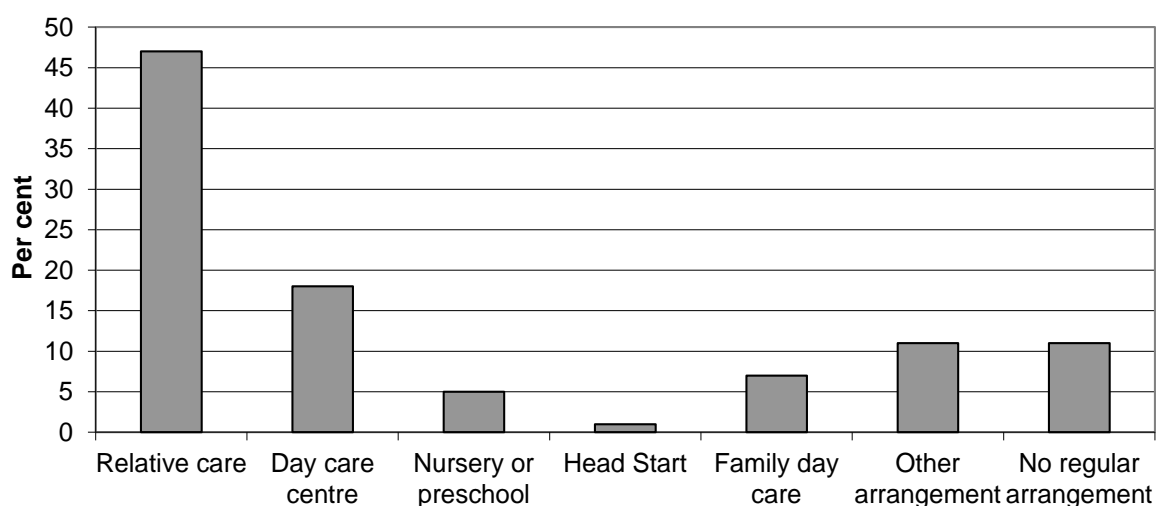
### Early childhood education and care

Though it serves almost half the population of children under 14, the ECEC system in the United States operates within a fragmented policy context. The types of services available, the regulatory framework and the level of funding all vary substantially across states. Further, the Organisation for Economic Co-operation and Development has identified a number of pressing concerns in regards to system quality and equity (OECD 2006).

#### *ECEC services*

Over 11 million children under 6 years of age whose mothers are employed access some form of child care. Of these, 47 per cent are cared for by relatives, mostly grandparents, and 53 per cent use ECEC services (NCCIC 2010b) (figure D.2). Many of these services are provided by over 690 000 individual operators, caring for children in their own homes (US Census Bureau nd). These ‘family child care homes’ are often unregulated (NACCRRRA 2011).

Figure D.2 **Primary ECEC arrangement for children under 5 years of age with employed mothers, USA<sup>a</sup>**



<sup>a</sup> The ‘other arrangement’ category includes children cared for in their own home, and a small number of children attending kindergarten or a school-based arrangement.

Source: Productivity Commission calculations based on US Census Bureau (nd).

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Services are also offered through over 120 000 day care or child care centres, preschools and Head Start centres (see below for a definition of Head Start) (NACCRRA 2010). For-profit provision of ECEC services is common — the largest provider in the country, Knowledge Universe, operates more than 1700 centres across the country and has a total revenue of over \$US1.6 billion. There are also a number of franchised organisations (Neugebauer 2010).

Most centres need to be licensed by state regulators, though many exemptions exist. The regulation and enforcement framework varies substantially across states; in some areas, the licensing system addresses many aspects of quality, and inspections are carried out regularly, while other states do not enforce any staff requirements.

In an effort to improve system quality, 25 states have been implementing quality rating and improvement systems, which offer financial incentives to improve service quality. Some regulators have been publishing quality information on ECEC services online (NACCRRA 2011). There are also a number of optional quality accreditation systems operating in the United States (OECD 2006), but their coverage is limited. In 2010, less than 10 per cent of centres and 1 per cent of family child care homes achieved quality accreditation (NACCRRA 2010).

### *Funding and subsidies*

The type of services and funding available to families varies based on income. Families who are close to, or above, the median income in their state are not eligible for childcare subsidies, or for enrolment in ECEC services that are provided by government. These families can access for-profit services, including day care centres and family child care homes, at an annual cost that ranges between \$US3500 and \$US18 500 per child (NACCRRA 2010). They may be eligible for a tax credit of up to \$US3000 per child to offset their ECEC costs (IRS 2010). More than 6 million taxpayers claimed over \$US3.4 billion under this policy (NCCIC nda).

Federal and state governments in the United States spend over \$US10 billion on child care services and subsidies for low-income families (NACCRRA 2011). Federal funding comes in the form of grants to states and funding to public and private entities that provide ECEC services to eligible families. States offer subsidies to families and child care providers, as well as funding some preschool and early intervention programs (NCCIC nda).

The main federal funding programs include the:

- Child Care and Development Fund (CCDF). This provides a total of \$US5 billion in annual grants to states to subsidise child care costs of

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low-income families. Eligibility conditions for these programs vary substantially between states but in all cases, subsidies are offered for up to 6 or 12 months (NCCIC 2010a). A minimum of 4 per cent of the funds must be used to improve child care quality, via measures such as the provision of training and professional development for staff (OCC 2010)

- Temporary Assistance for Needy Families (TANF). The TANF program offers grants to states to assist low-income families to care for their children. The program's other aims are 'reducing the dependency of needy parents by promoting job preparation, work and marriage, preventing out-of-wedlock pregnancies, encouraging the formation and maintenance of two-parent families' (ACF nd). Over \$US20 billion is allocated to this program, and some funds are transferred to the CCDF. Funds are also used by the states to fund ECEC services (US DHHS 2009)
- Individuals with Disabilities Education Act (IDEA). This includes funding provisions of \$US800 for early intervention and preschool programs for young children with disabilities (NCCIC nda)
- Military Child Development Program. This is the largest employer-sponsored ECEC program in the United States. The Department of Defense spends over \$US500 million each year on the provision of ECEC to the children of its staff (NCCIC nda) and providers need to comply with stringent quality requirements (NACCRRA 2011).

The Federal Government also funds the Head Start and Early Head Start programs. Beginning in 1965 as a summer enrichment program for children from low-income families, Head Start centres now offer ECEC and support services for eligible children from birth to 6 years of age. Since the program's inception, more than \$US120 billion was spent to offer services to over 27 million children (OHS nd). At least 10 per cent of children enrolled in Head Start are required to be children with disabilities (Spiker, Hebbeler and Barton 2011). (See appendix C for more on the Head Start program and its effects.)

### *Preschool programs*

State governments in the United States spend over \$US5 billion each year on the provision of preschool (known in the United States as pre-kindergarten) programs. In recent years, funding per child has been declining. Across the United States, 27 per cent of 4-year-olds and 4 per cent of 3-year-olds attend public pre-kindergarten. This includes children attending pre-kindergarten through programs such as Head Start and IDEA.

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Of the 40 states that fund public pre-kindergarten, only five states require school districts to offer programs. In other states, programs operate based on demand. In 17 states, enrolment is open for all children where programs are available; in other states, children must come from low-income families or be considered at-risk.

The specific requirements for pre-kindergarten and preschool programs also differ by state. While most states require staff-to-child ratios of 1:10 or better, only 27 states require the teacher delivering the program to hold a university degree. Preschool programs include requirements for home visits or family support or, at a minimum, regular parent–teacher conferences (Barnett et al. 2010).

Over the years, a number of highly targeted, intensive preschool programs were delivered in the United States. Prominent examples include the High/Scope Perry Preschool and the Carolina Abecedarian Study, which were conducted in the 1960s. Much of the research on the effectiveness of preschool and early intervention has relied on these programs (appendix C).

### *After-school programs*

After-school programs have been attracting an increasing amount of interest from US policymakers. Over 13 million children (representing 40 per cent of the school-age population) attend some form of after-school activity, including enrichment programs and after-school care (Carver and Iruka 2006). However, a significant proportion of children are in ‘self care’ (that is, are not cared for by an adult) and demand for after-school services is greater than supply (NACCRRA nd).

After-school programs are delivered by a wide variety of providers, including schools, faith-based organisations, community organisations and private, for-profit providers. Similarly to other ECEC services, government funding for after-school programs is available primarily to low-income families, through CCDF, TANF and the Department of Education. CCDF funds are used to provide subsidies for families, while TANF grants can support the program providers. The Department of Education supports the 21st Century Community Learning Centers, a program that distributes grants to schools and other community organisations that operate after-school programs.

The regulatory framework for after-school care is similar to that of other ECEC services — standards vary considerably across states, and 38 states allow programs to operate without licences (OCC nd).

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## *Workforce issues*

Estimates of the size of the ECEC workforce in the United States vary considerably. According to the Bureau of Labor Statistics, the sector employs 796 000 workers, including mostly preschool teachers, childcare workers and teacher assistants. Annual salaries range from \$US19 330 for childcare workers to \$US25 530 for preschool teachers<sup>2</sup> (BLS 2010). The level of qualifications across the sector varies — 16 states do not require ‘lead teachers’ to hold high school diplomas, and 14 states do not have any specific training requirements (NACCRRA 2011).

ECEC services are affected by high turnover of staff: ‘dissatisfaction with benefits, pay, and stressful working conditions causes many to leave the industry’ (BLS nd). To assist with recruitment and retention, 12 states offer wage subsidies for employees, and many others support professional development and registration programs (NCCIC 2008). These programs were found to improve retention and workforce skills (NCCIC ndb).

## **Child health**

As with early childhood education and care in the United States, the provision of child health services is fragmented across states and socioeconomic strata. In the absence of ‘universal’ public provision of health services, access to health services is determined either by public or private (employer-based or directly purchased) health insurance coverage, with services often provided either by private enterprise or not-for-profit organisations. In 2008, around 9 per cent of children under the age of 12 were without any form of health insurance (DeNavas-Walt, Proctor and Smith 2009), and around 20 per cent of those under 5 years had inadequate coverage (MCHB 2010).

Targeted public health insurance is available to low-income families, who can obtain assistance to access medical care under a joint federal-state program known as Medicaid.<sup>3</sup>

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<sup>2</sup> Kindergarten teachers and primary school teachers have substantially higher salaries, at \$US31 980 and \$US41 760, respectively. Similarly, preschool teachers working for schools or other organisations receive higher wages (BLS 2010).

<sup>3</sup> Eligibility for Medicaid does not ensure entitlement — enrolment is necessary to gain access to Medicaid in most states.

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All states provide Medicaid to children under the age of 6 years with family incomes below a specified income threshold.<sup>4</sup> The federal Vaccines for Children Program provides vaccinations for children who are eligible for Medicaid, thereby reducing poverty-induced deficiencies in immunisation coverage (How et al. 2011). Children in families with higher incomes may be eligible for a program providing health insurance to uninsured families with children, known as the State Children's Health Insurance Program (CHIP).

There is considerable variation in the implementation of child health policies across states, and as a result child health outcomes are also varied. For example, while around one in five children across the United States were screened for developmental problems in 2007, screening rates across the states ranged between 10.7 per cent in Pennsylvania and 47.1 per cent in North Carolina (How et al. 2011) (box D.7).<sup>5</sup> The national average is considerably lower than that of most other developed countries.

**Box D.7 Well-child care in the United States**

Preventive medicine for children in the United States is based around a 'well-child' program of care that combines health supervision, monitoring of growth and development, health guidance and advice, and immunisation programs. A well-child program seeks to ensure that children are on an optimal trajectory for growth and development by identifying and addressing influences that may have an adverse effect on health outcomes.

Well-child visits are generally conducted by general practitioners or paediatricians, and are timed according to the expected development of the child, with eight visits recommended in the child's first year of life (American Academy of Pediatrics 2000). Paediatricians have reported a number of barriers to addressing psychosocial issues and achieving developmental assessments during the well-child visits. These include the inability to be reimbursed separately for assessments and well-child care, unfamiliarity with screening instruments, lack of available specialists for diagnosis and and lack of referral options for children with possible developmental problems.

*Source:* Kuo et al. (2006).

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<sup>4</sup> The income threshold for receipt of Medicaid is set at 133 per cent of the 'federal poverty level', the income required to purchase the US Agriculture Department's 'economy food plan', calculated in the early 1960s. The initial poverty level has subsequently been indexed, but has otherwise remained unchanged (Fisher 1992). In some states, children are still eligible for Medicaid if their family income is higher than this threshold.

<sup>5</sup> The American Academy of Pediatrics (2006) recommends that primary care providers conduct developmental surveillance at all well-child visits for children from birth to three years, and perform structured developmental screening using a standardised instrument at nine, 18 and 30 months of age.

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While the US Department of Health and Human Services manages most of the funding of public child health policy, implementation is generally a consideration of state governments or individual service providers. This is exemplified by the Healthy Start Initiative, which seeks to reduce infant mortality and improve infant and maternal health among at-risk communities through the provision of:

- prenatal care
- community outreach education programs targeted at populations at-risk for poor pregnancy outcomes
- home visits and case management — such as Nurse–Family Partnership, Healthy Families America, or Parents as Teachers (box D.8)
- perinatal and parental health education programs across a range of topics decided upon by individual Healthy Start grant recipients (there is no common Healthy Start curriculum).

While programs such as Healthy Start are funded federally, they are operated in partnership with state governments, and are designed and implemented by individual grant recipients. As a result, staff requirements vary considerably across the United States. Healthy Start provides descriptions of staff roles and responsibilities, but does not prescribe titles or qualifications. This means that individual case managers providing health education or substance abuse counselling may be filled by social workers, public health nurses or staff without professional training (who may have received training from Healthy Start).

### **Family support programs**

Family support in the United States is provided through a range of home visiting programs, including the Parents as Teachers (box D.8), Nurse–Family Partnership and Home Instruction for Parents of Preschool Youngsters (HIPPY) (Wasserman 2006). The latter two programs are discussed in more detail in chapters 12 and 13.

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### Box D.8     **Parents as Teachers**

Parents As Teachers (PAT) is a not-for-profit organisation that arranges for 'parent educators' to visit parents (of children typically under five years) in their home to act as mentors. Parent educators test child development, address questions from parents, and provide instructional literature for parents. Events are also scheduled where parenting skills are taught in a group setting.

Parent educators typically have qualifications in teaching, nursing or social work. Additional training is required for those undertaking home visits. Training lasts between two and five days and costs US\$900 on average.

PAT is funded by both the federal and state governments across America, with funding for some local PAT programs provided by school districts and charitable donations. Missouri has recently reduced state funding for the organisation from US\$31 million to US\$13 million.

School districts are responsible for implementing and operating PAT programs. Some school districts offer the service free of charge, while others charge fees that vary with household income. The recent reduction in funding has led some programs to begin targeting services at disadvantaged families or those who have children with additional needs. The programs cost between US\$2000 and US\$2500 per family per year.

Evaluations of the PAT programs have identified positive effects on child development, particularly in children with additional needs and disadvantaged children.

*Sources:* FRIENDS (2009); Parents as Teachers (nd); Shelton (2011); STLtoday (2011).

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## E Modelling the workforce impacts of the COAG ECEC reforms

The Commission developed a mathematical model of the early childhood education and care (ECEC) sector as a tool to explore the possible extent of the workforce impacts of the Council of Australian Governments (COAG) ECEC reforms. The model is ‘comparative static’ — it provides a comparison of the ECEC workforce with and without the National Partnership Agreement on Early Childhood Education (NPA ECE) and the National Quality Standard (NQS) reforms (chapter 3). In effect, the model illustrates the potential impacts on the ECEC workforce if the stated targets of these reforms for 2016 were to apply to the ECEC workforce as represented by its composition in 2010. The results are thus indicative of the impact of these reforms in isolation. In reality, this impact would be in addition to changes that occur due to demographic, economic and other trends.

The results therefore cannot be used to identify how the ECEC sector and its workforce would appear in 2016. This would require forecasting a ‘business-as-usual’ trend — that is, how the ECEC sector and its workforce would appear in 2016 in the absence of the reforms. Such a forecast would incorporate demographic and other trends that are not the focus of the model.

The Australian Government agreed to a number of annual payments to be made to state and territory governments, which include the:

- NPA ECE — a payment of \$970 million over five years between 2009 and 2013
- National Partnership Agreement on the National Quality Agenda for Early Childhood Education (NPA NQA ECE) — a payment of \$181 million over five years to train and retain the ECEC workforce
- payments to support and train the ECEC workforce, such as fee waivers, additional university places, the Professional Support Program, and additional support to Indigenous ECEC staff (appendix F).

There is also a provision in the Australian Government Budget for 2011-12 for those NPA ECE and NPA NQA ECE payments to continue after 2013-14 (Treasury 2011b).

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These payments were not included in the modelling because they do not affect the magnitude of subsidy rates actually paid to households and ECEC services. They are transfers between governments and do not affect the community's total expenditure on ECEC. However, these payments have been included with some of the results to provide an indication of the relative fiscal commitment of these reforms for governments.

Training subsidies (such as subsidised university places and fee waivers for certain courses in the vocational education and training sector) are also not formally included in the model. They are discussed in chapters 10 and 11.

An early draft of this appendix was circulated for comment to the Department of Education, Employment and Workplace Relations (DEEWR), the Victorian Department of Education and Early Childhood Development, and to two external academic referees. A modelling workshop was subsequently held that was attended by, among others, DEEWR and the South Australian Department for Education and Child Development. One referee attended the modelling workshop, and both referees prepared independent referee reports on the robustness of the model and assumptions (appendix G). The Commission reviewed its initial modelling in light of the valuable input of these participants, but acknowledges there are likely to remain differing views with respect to the assumptions that underpin the final modelling. The Commission has dealt with this by conducting extensive sensitivity analyses and considers its results to be robust.

## **E.1 Purpose of the model**

The purpose of the model is to analyse the possible effects on the ECEC workforce of implementing the NPA ECE and NQS objectives that are to take effect between 2010 and 2016.

The workforce effects of the reforms will reflect not only the additional hours of preschool programs and the qualification and staff-to-child ratio requirements, but will also be influenced by who pays for their implementation. Under existing policy settings, the majority of the costs of the reforms will be paid for by governments — through subsidies to ECEC services and households, and through transfers between governments. Parents of children attending ECEC services will also make a significant contribution to the cost of the reforms under existing policies.

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The Commission is aware that a wide range of cost-sharing arrangements could be implemented, and has therefore modelled two scenarios to highlight their different workforce impacts:

- all cost increases are shared between households and governments on the basis of existing subsidy arrangements
- governments fully fund the cost increases so that out-of-pocket fees paid by families do not increase.

Some distinctive features of the model are that it:

- analyses the combined effects of both the NPA ECE and NQS, in contrast to COAG (2009h) which separately models the NPA ECE and NQS reforms
- illustrates how any scarcity of labour, reflected in wage pressures, would feed back to the costs of ECEC services. This in turn would influence the quantity of ECEC services demanded and, therefore, the demand for ECEC workers
- examines how the reforms change the structure of the ECEC workforce in the long run — that is, after a period in which most of the reform policies have been fully implemented.

There are some aspects of the ECEC reforms that are not considered in the model, including:

- the monitoring and enforcement of the regulations, the National Early Years Learning Framework, the Framework for School Age Care and the implementation of integrated services
- the short-run or transitional arrangements that might be necessary to implement the reforms such as the cost of training subsidies
- a number of other ‘feedback mechanisms’, such as the effect of ECEC costs on female labour supply, and the effects that changes in prices for one type of ECEC service might have on the demand for other ECEC services (section E.7).

Also, the model assumes that regulators do not issue additional waivers to those that were in effect in 2010 when the National ECEC Workforce Census was undertaken. (Waivers allow services to continue operating if they cannot fully comply with the NQS, including the staffing requirements it contains.)

## **Previous studies**

The effects of the ECEC reforms were examined in some detail when the reforms were proposed. Analyses were undertaken for COAG (2009h) and by the Victorian

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Department of Education and Early Childhood Development (DEECD 2009). COAG (2009h) used a benefit–cost framework to assess the effects of the NQS on the ECEC workforce. COAG concluded that the NQS reforms, apart from those that would otherwise be undertaken by the states and territories without the involvement of the Commonwealth, would increase long day care (LDC) out-of-pocket fees by \$4.20 per child per day in 2016, in present value terms (COAG 2009h). Assuming a weekly out-of-pocket fee of \$285, this is equivalent to a 7 per cent increase in out-of-pocket fees (SCRGSP 2011a).

COAG’s analysis rests on particular assumptions.

1. The baseline to which the NQS reforms are applied includes an assumption that a significant proportion of the reforms would have occurred anyway.
2. The analysis of the impact of the NQS does not take into account the effects of, and interactions with, the simultaneous NPA ECE reforms.
3. Demand for ECEC services is assumed to remain the same despite higher prices (that is, demand for ECEC services is assumed to be perfectly inelastic), despite research which suggests that Australian families would reduce their demand for ECEC if faced with higher prices (section E.3).
4. The ECEC workforce is expected to supply as much labour as needed at existing prices (that is, the supply of labour is assumed to be highly elastic). This is despite growing demand for workers in other community services, such as the disability and aged care sectors (PC 2011a; 2011b).
5. The demand and supply of ECEC workers, as well as their wages, are all assumed to be determined independently of each other. However, supply, demand and wages are inherently linked through labour markets.

A potentially richer representation of the complex interactions between the ECEC sectors and their labour markets can be obtained by employing an equilibrium model. Two examples of equilibrium models that have been used to analyse ECEC policies include those of Rickman and Snead (2007) and Graafland (1998, 2000) (box E.1).

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### Box E.1      **Equilibrium models used to analyse ECEC policies**

Economic equilibrium models are a class of economic model that estimate how an economy or part of an economy might react to policy, technology or other outside changes. They consist of a group of mathematical equations and actual data that represent some aspect of the behaviour of economic agents (typically consumers, producers, workers and governments). The attraction of such models is that they can account for the potentially complex and simultaneous interactions between economic agents.

Although equilibrium models have been used for policy analysis since the 1970s, they have rarely been used for the assessment of early childhood education and care policies. One exception is Rickman and Snead (2007), who used a computable general equilibrium model of the Oklahoma economy to assess the effects of childcare subsidies on the labour force participation and incomes of households. The model comprised 32 industries, of which one was the childcare sector, two government sectors (the combined state and local governments of Oklahoma, and the US federal government) and a capital market sector. The model also provided for two labour markets — low skilled (low income) and high skilled (high income). The model was constructed around input–output tables to ensure a balance between the intermediate and final demands and supplies of goods and services.

The authors found that a 10.0 per cent increase in childcare subsidies would lead to a 9.6 per cent increase in the labour supply of low-skilled workers and a 5.4 per cent increase in the labour supply of high-skilled workers.

Equilibrium modelling was also undertaken by Graafland (2000), who used the Micro Macro model to analyse the Institutional Context (MIMIC) to analyse the effect of childcare subsidies on the labour market and government budget in the Netherlands. MIMIC was specifically designed by the Dutch *Centraal Planbureau* (Central Planning Bureau) to simulate the effects of government welfare and taxation policies on household behaviour (Graafland 1998). MIMIC contains detailed information on households' occupational characteristics (such as whether they are unskilled, low-skilled or high-skilled workers) and workforce participation (such as whether there are one or two working parents).

Graafland (2000) found that increases to childcare subsidies increased labour force participation and employment. The author also observed a substitution from informal to formal child care because the latter was more affordable, and an increase in the wage of childcare workers due to higher demand.

## **Understanding the Commission's model**

The Commission's model, as noted, is intended to illustrate the possible effects of achieving the NPA ECE and NQS. It differs from previous models of the effects of the ECEC reforms in two ways. First, it is a comparative static analysis. This means

that it analyses the effects of government policies in isolation from other changes that might occur to the ECEC sector and its workforce over time (box E.2).

### Box E.2 Interpreting comparative static analysis

Comparative static analysis is the comparison of two (or more) different economic outcomes that exist at the same point in time. Comparative static analysis is used to isolate the effects of changes in parameters or variables, such as policy reforms. It differs from economic forecasts which typically take into consideration changes to a wide variety of parameters and variables that are expected to occur over time.

The difference between an economic forecast and a comparative static analysis is illustrated in figures (a) and (b) below.

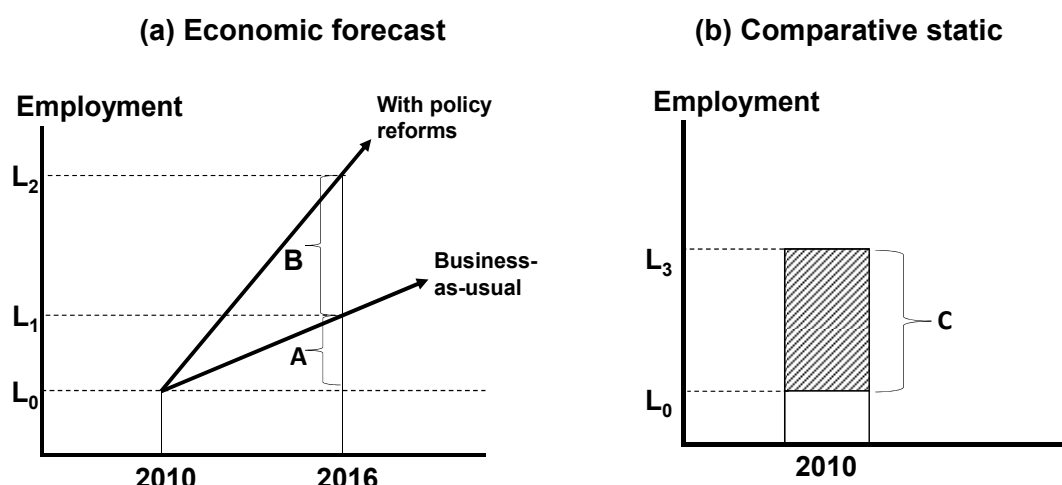


Figure (a) represents an economic forecast of future ECEC employment. The business-as-usual scenario represents the level of ECEC employment that is likely to occur in the absence of changes to government policy. In this hypothetical example, ECEC employment is expected to grow from  $L_0$  in 2010 to  $L_1$  in 2016, or amount A.

The difference between the economic forecast with government policies and the business-as-usual trend gives the employment outcomes that as a result from changes to government policy (the amount B).

The comparative static analysis in figure (b) illustrates the effect of a policy reform on ECEC employment. Unlike economic forecasting, comparative static analysis does not rely on future projections of economic and other trends. Rather, it answers the question: how would the ECEC sector and workforce appear if the reforms that are to be in place in 2016 were in place in 2010? In the above example, employment in the ECEC sector following the introduction of ECEC policies is expected to grow from  $L_0$  to  $L_3$ , or amount C.

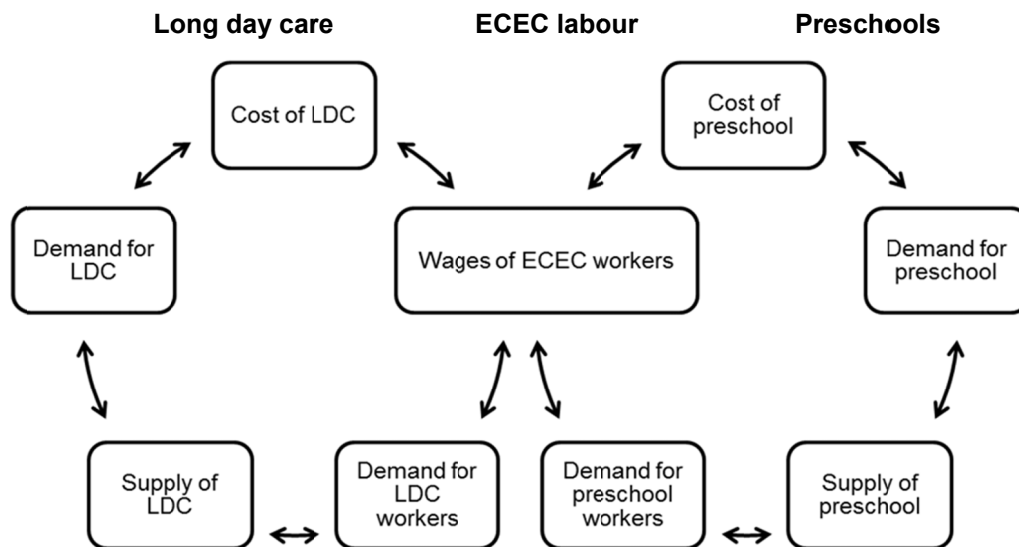
The change in employment in a comparative static analysis (amount C) may be the same, but not necessarily so, as the change in employment in the economic forecast (amount B).

Second, it is an equilibrium model. This means that each of the markets considered in the model (such as the various ECEC sectors and ECEC workforces) are assumed to iterate simultaneously until market equilibriums are re-established. For example, this means that any increases in ECEC salaries, by increasing the costs of ECEC services, would in turn affect the quantity of ECEC services consumed and supplied (box E.3).

### Box E.3 Stylistic representation of an equilibrium model

A strength of equilibrium models is that they can address the sometimes complex and often simultaneous interactions that occur between economic agents — such as households, ECEC services and governments.

Modelling approaches will usually follow a logical sequence of events. In COAG (2009h) it was reasoned that an increase in the number of higher-qualified staff in long day care (LDC) will lead to an increase in costs, which in turn will lead to an increase in out-of-pocket fees, which in turn will lead to a reduction in demand for LDC services. In the left-hand figure below, this is represented as a clockwise movement beginning with an increase in the demand for LDC workers.



There are, however, a number of other interactions. One is the interaction that occurs between ECEC sectors, such as LDC and preschools, through the ECEC labour market. For example, increases to the staff-to-child ratios of long day care (LDC) can lead to increases in the wages and salaries not only of LDC workers, but also of workers in the preschool sector (as well as other ECEC sectors that are not the subject of the reforms, such as occasional care and in-home care). As a result, policy reforms in one ECEC sector can influence costs in other ECEC sectors.

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## Overview of the model

The Commission's model comprises:

- four ECEC sectors (LDC, family day care (FDC), occasional care and in-home care combined, and preschools)<sup>1</sup>
- five labour markets (teachers and other degree-qualified workers,<sup>2</sup> advanced diploma or diploma-qualified ECEC workers, certificate III/IV-qualified ECEC workers, certificate I/II-qualified ECEC workers, and unqualified ECEC workers)<sup>3</sup>
- a single capital market for each ECEC sector
- the Australian Government sector
- another government sector combining the state, territory and local governments.

A stylistic representation of the model is given in figure E.1. The NPA ECE is represented as an increase in the demand for preschool services from  $D_0$  to  $D_1$ . This increase in demand leads to an increase in the demand for ECEC workers, represented here as a shift of the labour demand schedule from  $LD_0$  to  $LD_1$  (figure E.1(a)).

As illustrated, to induce additional workers to the preschool sector to meet the NPA ECE requirement, wages would need to increase from  $w_0$  to  $w_1$ . The increase in salary costs in turn leads to higher costs of preschools, which is represented as an increase in the price of preschool services from  $P_0$  to  $P_1$ . In the model, it is assumed that these preschool fee increases are paid for by governments because governments have committed to ensuring that costs do not pose a barrier to accessing preschool services (COAG 2009d). It is acknowledged that this may not be the case in practice, especially in jurisdictions where preschool is not currently fully funded by government. (In the subsequent analysis, governments' assurances that costs will not pose a barrier to accessing preschool will be formally modelled.)

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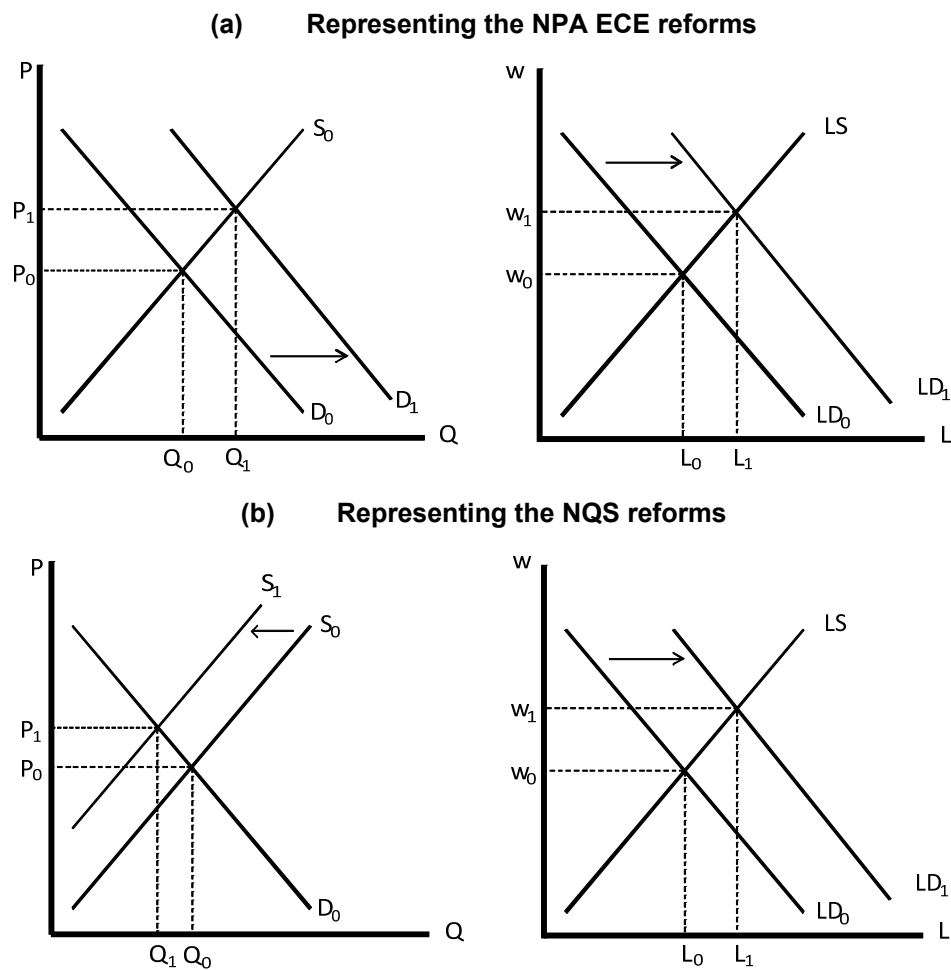
<sup>1</sup> Denoted in the model as  $L$ ,  $F$ ,  $O$  and  $P$  respectively. Even though the occasional and in-home care sectors are not the subject of the ECEC policy reforms, because they share the same labour force as the other ECEC sectors, the reforms are expected to have an indirect effect on these sectors.

<sup>2</sup> Includes three and four-year degree-qualified early childhood, primary and secondary school teachers, and other health and welfare qualified and related workers. The category also includes a small number of unrelated degree-qualified workers.

<sup>3</sup> 'Unqualified' includes 'qualification unknown'. Each of the qualifications are denoted  $B$ ,  $D$ ,  $C3$ ,  $C1$  and  $U$  respectively.

The introduction of the NQS is represented as an increase in the number of workers required to provide a given level of output (figure E.1(b)). The NQS applies to preschools, LDC services and FDC services. The NQS reforms are represented as a shift of the labour demand schedule from  $LD_0$  to  $LD_1$ . As labour demand increases, so do wages. The increases in wages raises the cost of ECEC, which is represented by a leftward shift of the costs of supply, from  $S_0$  to  $S_1$ . This in turn, increases the costs and therefore fees faced by households, from  $P_0$  to  $P_1$ , and as a result, reduces the demand for services from  $Q_0$  to  $Q_1$ .

Figure E.1 **Stylised illustration of the Commission's ECEC model**



## E.2 Model detail

The graphical representation of the reforms can be expressed by a mathematical economic model. The model is solved by mathematical programming similar to the techniques described in Takayama and Judge (1971).

The objective function of the model is net welfare ( $NW$ ), defined here as the sum of consumer and producer surpluses, and across the  $j$  ECEC sectors and  $n$  labour markets, and is given by:

$$NW = \text{Max}_{q_j^d} \sum_{j=1} \int p_j^d(q_j^d) dq_j^d - \left( \sum_n \left( \int w_n(L_n^s) dL_n^s \right) + \sum_j r_j K_j^s \right) \quad (\text{E.1})$$

where  $p_j^d$  is the demand price of the  $j$ th service,  $q_j^d$  is the quantity demand of the  $j$ th service, and  $p_j^d(q_j^d)$  is the inverse demand for service  $j$ ,  $w_n$  is the wage of the  $n$ th occupation,  $L_n^s$  is the labour supply of the  $n$ th occupation and  $w_n(L_n^s)$  is the inverse labour supply of the  $n$ th occupation. Finally,  $r_j$  is the rental return (and other costs) of the  $j$ th sector and  $K_j^s$  is the  $j$ th sector's capital stock.

The first term on the right-hand side represents the gross surplus to the community, and the second term represents the total variable cost of providing the services, and includes the costs of labour and capital (and other costs).

The solution to equation (E.1) is to choose the combination of quantities demanded ( $q^d$ ) that maximises net welfare, subject to the various market-clearing conditions that apply to both the ECEC and input markets.

## Output markets

The first set of equations describes the market for ECEC services. These include the inverse demand, producers' price and the market-clearing equations:

$$p_j^d = a_j + b_j q_j^d \quad j = \text{L, F, O, P} \quad (\text{E.2})$$

$$p_j^s = \left( \sum_n w_n L_{nj}^s + r_j K_j^s \right) / q_j^s \quad j = \text{L, F, O, P} \quad n = \text{B, D, C3, C1, U} \quad (\text{E.3})$$

$$q_j^d = q_j^s \quad j = \text{L, F, O, P} \quad (\text{E.4})$$

$$p_j^s \geq 0, p_j^d \geq 0, w_n \geq 0, q_j^s \geq 0, q_j^d \geq 0 \quad (\text{E.5})$$

where  $p_j^s$  is the supply (or firm's) price in the  $j$ th sector. Household (demand) and ECEC service (producer) prices are governed by the following equations:

$$p_j^s = p_j^d (1 - \sigma_j^s) \quad j = \text{P} \quad (\text{E.6})$$

$$p_j^d = p_j^s (1 - \sigma_j^s) (1 - \sigma_j^A) \quad j = \text{L, F, O} \quad (\text{E.7})$$

$$(0 \leq \sigma_j^S \leq 1), (0 \leq \sigma_j^A \leq 1), S^A \geq 0 \quad (\text{E.8})$$

where  $\sigma_j^S$  is the average and marginal subsidy rate of sector  $j$ ,  $\sigma_j^S$  is the *ad valorem* subsidy rate provided by state and territory governments to sector  $j$ , and  $\sigma_j^A$  is the *ad valorem* subsidy rate paid by the Australian Government. Although many Australian Government subsidies do not vary with price (such as the child care benefit, Jobs Education and Training (JET) payments, and payments to ECEC services receiving sustainability and establishment assistance), these are usually indexed annually, and so are treated as an *ad valorem* rate in this model.

In cases where the governments agree to fully fund any increases to costs as a result of policy reforms, the relevant price equations are:

$$\bar{p}_j^d = p_j^s (1 - \hat{\sigma}_j^S) \quad j = P \quad (\text{E.7}')$$

$$\bar{p}_j^d = p_j^s (1 - \bar{\sigma}_j^S) (1 - \hat{\sigma}_j^A) \quad j = L, F, O \quad (\text{E.8}')$$

where  $\bar{p}_j^d$  indicates that out-of-pocket fees are held constant,  $\hat{\sigma}_j^S$ ,  $\hat{\sigma}_j^A$  indicate that subsidies are allowed to vary, and that  $\bar{\sigma}_j^S$  state subsidies are held constant.

## Labour market

Each ECEC sector is assumed to demand labour in fixed proportions with its output. This is intended to reflect the extensive regulation of staff-to-child ratios and qualification requirements that effectively limit the scope for substitution between labour inputs unless waivers are obtained from the ECEC service regulator (and, as mentioned above, it is assumed that the number of waivers is fixed at 2010 levels).

The labour demand equation, inverse labour supply and labour market clearing equations are given as:

$$l_{nj}^d = d_{nj} q_j^d \quad n = B, D, C3, C1, U \quad j = L, F, O, P \quad (\text{E.9})$$

$$w_n = e_n + f_n L_n^s + \sum_j g_j p_j^d \quad n = B, D, C3, C1, U \quad j = L, F, O, P \quad (\text{E.10})$$

$$l_n^s = \sum_j l_{nj}^d \quad n = B, D, C3, C1, U \quad (\text{E.11})$$

$$w_n^s \geq 0, l_n^s \geq 0, l_{nj}^d \geq 0 \quad (\text{E.12})$$

where  $w_n$  is the prevailing wage in the  $n$ th labour market,  $d_{nj}$  is the staff-to-child ratio prevailing in the sector, and where  $e_n$ ,  $f_n$  and  $g_j$  are parameters. There is an extensive literature that indicates that female labour supply decisions are influenced by the costs of child care. Since the ECEC labour force is largely female, several scenarios of the model were tested with and without ECEC costs in the wage equation.

## Capital and other costs

It is assumed that each ECEC sector has its own capital stock ( $k_j^s$ ). Capital represents the total physical stock of an ECEC service — buildings, land, and all fixed equipment (kitchens, swings, sandpits and so on). For simplicity, capital also includes each service's sundry expenses such as repairs and maintenance, rates, utilities and so on.

Since capital is not readily observable, it is assumed that each centre has one unit of capital which corresponds with the centre itself. In the case of the FDC sector, the unit of capital applies to the service rather than the individual worker.

It is assumed that there is a unique capital market for each ECEC sector. Over the long run, it is assumed that the number of ECEC services will adjust so that each of the  $j$  sectors will be able to earn their long-run normal rate of return.

The demand for capital, rate of return and market-clearing conditions are given as:

$$k_j^d = h_j + i_j r_j + j_j q_j^s \quad j = L, F, O, P \quad (E.13)$$

$$r_j = \bar{r}_j \quad j = L, F, O, P \quad (E.14)$$

$$k_j^d = k_j^s \quad j = L, F, O, P \quad (E.15)$$

$$r_j \geq 0, k_j^d \geq 0, k_j^s \geq 0 \quad j = L, F, O, P \quad (E.16)$$

where  $k_j^d$  is the demand for capital in the  $j$ th sector,  $r_j$  is the rental paid to capital,  $\bar{r}$  is the long-term rental paid to capital, and where  $h_j$ ,  $i_j$  and  $j_j$  are parameters.

## Government finances

As this is a partial equilibrium model, there is no requirement in this model for governments to maintain balanced budgets and there is no adjustment to the amount

of tax paid by households. The expenditures of the two government sectors are given by:

$$E^A = \sum_j p_j q_j \sigma_j^A + (S_{jCCB}^A + S_{jOTH}^A) q_j \quad (\text{E.17})$$

$$E^S = \sum_j p_j q_j \sigma_j^S \quad (\text{E.18})$$

$E^A$  and  $E^S$  are the payments to the ECEC sectors. A range of government payments (such as the family tax benefits payment) and taxes (such as income tax and the Goods and Services Tax) are not included in this model.

### E.3 Implementing the model

The model is implemented using the General Algebraic Modeling System™. A copy of the code used to implement the model can be downloaded from the Commission's website.

The model uses two types of data: elasticities and variables. Elasticities are measures of how sensitive one variable is to another. They capture important aspects of consumer and producer behaviour. Elasticities are used determine the parameters used in the model (box E.4).

#### Box E.4 Using elasticities to calibrate the model

An elasticity is a measure of how sensitive a variable is to a change in another variable. Formally, an elasticity is the ratio of the percentage change in one variable to the percentage change in another variable. For example, the price elasticity of demand is given as:

$$\varepsilon^d = \frac{\partial q^d}{\partial p^d} \frac{p^d}{q^d}$$

where  $\varepsilon^d$  is the elasticity of demand of quantity ( $q^d$ ) with respect to demand price ( $p^d$ ).

The parameters of the model can be calibrated (that is, 'determined') if the underlying elasticities are known. For example, for a demand equation:

$$q_i^d = a_i + b_i p_i^d$$

(Continued next page)

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**Box E.4** (continued)

The parameter  $b_j$  can be found by setting it equal to:

$$b_j = \frac{\varepsilon_j q_j^d}{p_j^d}$$

where  $\varepsilon_j$  is the elasticity of own-price demand. Since  $q_j^d$ ,  $p_j^d$  and  $b_j$  are known, it becomes possible to obtain an estimate of  $a_j$ .

Variables are data that describe the prices and quantities of the ECEC sector, and the number of workers and wages in the ECEC workforce. Variables are drawn from publicly available information such as the 2010 National ECEC Workforce Census (NWC) undertaken by DEEWR.

### **The elasticities used in the model**

There are three elasticities in the model whose values can significantly influence the results:

- own-price elasticity of ECEC demand
- own-wage elasticity of labour supply
- elasticity of labour supply with respect to ECEC costs.

#### *Own-price elasticity of ECEC demand*

The own-price elasticity of ECEC demand is a measure of the willingness of households to use formal ECEC services in response to changes in the ECEC price. Australian studies that have sought to estimate price elasticities of demand for child care include Doiron and Kalb (2002, 2005), Kalb and Lee (2008), and Gong, Breunig and King (2010b) among others. Other authors, such as Rammohan and Whelan (2007, 2008) have estimated cost of child care equations that were subsequently used to estimate their labour supply equations.

A review of Gong, Breunig and King (2010b), Kalb and Lee (2008), Powell (2002) and Ribar (1995) indicates that the range of own-price elasticities of demand vary between  $-6.639$  and  $+8.848$ . Elasticities were found to vary according to the age of children, and whether families have one or two parents. Among the Australian studies, Doiron and Kalb (2005) found that the own-price elasticity of childcare demand ranged between  $-0.343$  and  $-0.644$  for couples, and between  $-0.044$  and  $-3.430$  for lone parents, depending on the age of the children. Gong, Breunig and

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King (2010b), after addressing problems of measurement error prevalent in other Australian studies, found that the elasticities of demand for child care for children aged under 13 years to be between –0.64 and –0.65.

It is acknowledged that elasticities of demand can also vary according to whether they were estimated with or without the presence of subsidies, such as the child care benefit (CCB) and child care rebate (CCR). The Commission’s modelling seeks to gauge potential consumer (household) responses to changes in out-of-pocket fees. Accordingly, given that Gong, Breunig and King (2010b) provided the most robust methodology, the model’s mid-point elasticity is set at –0.65, which is consistent with consumers of ECEC services not being highly responsive to price changes. Nonetheless, given views presented at the workshop that the demand elasticity could be even lower, an alternative estimate of –0.25 was modelled in sensitivity testing. A more elastic alternative (–1.00) was also modelled.

All childcare demand elasticities were applied to the after-subsidy price of an ECEC service.

#### *Own-wage elasticity of labour supply*

The own-wage elasticity of labour supply is a measure of the willingness of a worker to supply their labour in response to changes in their wages (or income).

#### *Measurement issues*

There are three issues that affect the measurement of the long-run elasticity of labour supply into the ECEC workforce. First, the elasticity of labour supply in this study is the response of the workforce participation response of (largely) female workers *into* the ECEC sector. Elasticities of labour supply are normally defined for a group of people (such as married women), or professionals (such as teachers or nurses), to either enter the workforce or to supply hours of work. However, the ECEC sector competes with other sectors for the same workers and the relevant labour supply elasticity will need to take into account the size of the ECEC sector relative to the economy’s workforce.

Following Cronin (1979), the elasticity of labour supply into ECEC for each class of worker can be given as:

$$\gamma_n^s = \eta_n \frac{L_n^s}{L_{nj}^d} \quad (\text{E.19})$$

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where  $\eta_n$  is the elasticity of labour supply into ECEC for occupation  $n$  and is defined in box E.2.  $L_{nj}^d$  is the employment of type  $n$  qualified worker in the  $j$ th ECEC sector, and  $L_n^s$  is the total supply of  $n$  qualified workers in the economy. (Similar problems of aggregation are considered by Keane and Rogerson (2011).)

The elasticity of labour supply into ECEC depends upon the share of total employment that the ECEC sector provides. This means that in the model, the relevant elasticities of labour supply will be larger (more elastic) than those commonly estimated in the economic literature on labour supply, which do not distinguish between subsectors of employment.

For example, according to the Australian Bureau of Statistics (ABS), there were approximately 1.56 million women aged between 20 and 64 years in the labour force that did not hold any post-school qualifications (ABS 2006). This group is likely to be a close substitute for many of the unqualified workers in the ECEC sector. The ECEC sector is a ‘small’ employer of unqualified workers since it accounts for less than two per cent of these workers (31 000 workers, table E.5). As a result, the elasticity of labour supply for the ECEC sector can be thought to be highly elastic.

Data needed to calculate  $L_n^s$  and  $L_{nj}^d$  can be obtained from sources such as the ABS Census of Population and Housing (see table B.3 in appendix B). Data for the labour supply of women ( $\eta_n$ ) can be obtained from empirical studies from Australia and overseas.

The second issue is that the elasticities need to account for the long-run adjustments of the ECEC workforce. Over relatively short periods, it is expected that the elasticity of supply for most occupations would be relatively low. For example, since it takes four years to complete a degree in ECEC, it is reasonable to expect that in a three-year period the supply of degree-qualified workers will be comparatively rigid. Over a longer time span, the supply response is expected to be larger (more elastic).

Unfortunately, to the Commission’s knowledge, there is only one study that estimated the long-run elasticity of labour supply for ECEC workers. Blau (2001) estimated these elasticities to be between 1.2 and 1.9. There are several studies that examined the short and long-run labour supplies of teachers, nurses and other professions. Falch (2011) found that the long-run elasticity of supply for Norwegian teachers (0.70) is five times that of the estimated short-run elasticity of labour supply (0.14). Burkett (2005) used data for 1987 to 2002 and found that the long-run labour supply elasticity of US nurses was 1.06, which was between three and five times the estimate commonly found with nurses (section E.7, table E.13).

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Burkett also found that nurses' aides, who are not degree qualified, had long-run elasticities of approximately 1.9. Finally, Freeman (1988) found that the long-run elasticity of supply of degree-qualified workers was between 2.0 and 3.0. This is between four and six times the short-run labour supply of physicians, which is regularly estimated to be less than 0.5 (Fortin, Jacqueument and Shearer 2010) and almost always below 1.00 (Freeman 1988).

On this basis, the long-run elasticity of labour supply for each of the qualifications is assumed to be five times the magnitude of the short-run elasticity.

The third issue is that the pay and conditions of degree-qualified workers in the ECEC sector are, on average, less favourable than those in the schools sector (chapter 5). For this reason, the elasticity of labour supply is in two parts. Initially, it is assumed that pay and conditions in ECEC would need to increase in order to encourage degree-qualified workers to remain in the sector and, more specifically, discourage them from moving to the schools sector. Once pay and conditions in ECEC are broadly comparable, it is assumed that the sector will have little difficulty attracting and retaining degree-qualified workers.<sup>4</sup>

#### *Estimates of the own-wage elasticities of labour supply*

A large number of studies have sought to estimate the elasticities of labour supply for the workforce and for particular occupations (the variable  $\eta_n$  in equation F.19).<sup>5</sup> Dandie and Mercante (2007) reviewed Australian and overseas literature extensively and concluded that the wage elasticities of labour supply for women in Australia were somewhere between -0.19 and 1.30 — and on average, between 0.30 and 0.34. Gong, Breunig and King (2010b) provided similar estimates of about 0.35.

Elasticities of labour supply also vary according to a worker's level of education. A strong body of evidence shows that female labour supply is less elastic the more educated the worker, suggesting that the degree of attachment to the workforce depends upon the level of education (Jaumotte 2003). A selection of estimated labour supply elasticities for nurses and teachers (the closest benchmarks to degree-qualified ECEC teachers as women are also heavily represented in both

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<sup>4</sup> In the modelling that follows, the wage ceiling on degree-qualified salaries in ECEC was not formally imposed because, in practical terms, the final salary costs ended up approximating the salary band of degree-qualified teachers in the government schools sector.

<sup>5</sup> Some authors have estimated the labour supply of women after accounting for the cost of child care. See for example Gong, Breunig and King (2010b), Rammohan and Whelan (2006), Ribar (1992) and Ribar (1995).

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occupations) suggest that the average elasticity was between 0.20 and 0.25, which is less than the overall Australian average of 0.35 (section E.7, table E.14).

For this model, the mid-point estimates of wage elasticities of labour supply into ECEC were all assumed to be elastic but differed with respect to qualification level: 1.5 for degree-qualified workers, 2.5 for diploma-qualified workers, 5.0 for certificate III/IV workers, and 7.5 for workers with certificate I/II and unqualified workers.

Some of these elasticity values were considered by workshop participants to be too low and others too high. While it is acknowledged that generally they are larger than those commonly estimated in economic studies, in the Commission's assessment this appropriately reflects the relatively small size of the sector. On the other hand, the elasticity of labour supply for degree-qualified workers, considered particularly low by some participants, reflects likely need of the sector to offer wages and conditions broadly comparable with competing sectors to attract significantly more workers with such qualifications (chapter 5).

#### *Elasticity of labour supply with respect to ECEC costs*

The elasticity of labour supply with respect to ECEC costs is a measure of the willingness of workers to supply their labour in response to changes in the cost of ECEC services. If ECEC services are prohibitively expensive, some workers may choose not to enter or remain in the workforce. Gong, Breunig and King (2010b) reviewed the literature regarding the estimated elasticities of childcare costs with respect to the labour supply decision of married women (table E.14). They found that the mean elasticity of childcare costs for married women and lone parents with respect to employment was  $-0.27$  and  $-0.23$  respectively. For the same groups, the mean elasticity with respect to hours worked was  $-0.20$  and  $-0.12$  respectively. This implies that workforce participation and hours worked are not very sensitive to changes in ECEC prices.

Kalb (2009) and Buckingham (2008) also undertook extensive reviews of the labour supply decisions of married and single mothers (section E.7, table E.15). The results of these reviews suggest that the mean elasticity of labour force participation (hours worked) with respect to childcare costs was approximately  $-0.35$ , and the mean elasticity with respect to hours worked was  $-0.20$ .

Although it is possible that ECEC workers will not send their children to child care while they work to educate and care for the children of others, two groups of scenarios are considered — one in which the childcare cost elasticity of labour supply is equal to zero (indicating that ECEC costs have no effect on labour supply)

and another in which the elasticities are set to  $-0.10$  for preschool services and  $-0.15$  for other ECEC services (table E.1). Differences in these elasticities are intended to reflect that LDC and FDC rather than preschools are more likely to be used by mothers to access the workforce. The ECEC-cost elasticity of labour supply is set below those reported by Kalb (2009) and Buckingham (2008) because not all women in the ECEC workforce have children of their own.

The elasticities used in the model are summarised in table E.1.

**Table E.1 Summary of elasticities used in the model**

	<i>Relatively less elastic estimates</i>	<i>Mid-point elasticity estimates</i>	<i>Relatively more elastic estimates</i>
<b>Demand for ECEC services</b>			
Own-price elasticity	$-0.25$	$-0.65$	$-1.00$
<b>Supply of ECEC workers</b>			
Own-price (wage) elasticity			
Bachelor degree	$+1.00$	$+1.50$	$+2.00$
Advanced diploma, diploma	$+1.50$	$+2.50$	$+3.00$
Certificate III/IV	$+2.50$	$+5.00$	$+7.50$
Certificate I/II	$+5.00$	$+7.50$	$+10.00$
Unqualified	$+5.00$	$+7.50$	$+10.00$
ECEC-cost elasticity			
Preschools	$0.00$	..	$-0.10$
Other forms of ECEC	$0.00$	..	$-0.15$
<b>Demand for ECEC workers</b>			
Elasticity with respect to output	$+1.00$	$+1.00$	$+1.00$
<b>Demand for ECEC capital</b>			
Own-price elasticity	$-1.00$	$-1.00$	$-1.00$
Elasticity with respect to output	$+1.00$	$+1.00$	$+1.00$

.. Not applicable.

## Variables used in the model

This section summarises some of the key variables used in the model. All prices, revenues and costs are in 2010 dollars. The number of children in formal care is used as the quantity of output of ECEC services (table E.2). No account is made for the double counting of children attending more than one ECEC service in an average week, or for the number of ECEC staff employed in more than one service.

The ABS estimated that there were approximately 25 000 children receiving occasional care services in 2008 (ABS 2009c). According to the 2010 National ECEC Workforce Census, in that year approximately 6400 children attended

occasional care services approved by the Australian Government to receive the CCB in 2010. This suggests that approximately 18 600 children are likely to have attended occasional care services that were not approved to receive the CCB but were licensed by state authorities.

**Table E.2 Number of children attending formal ECEC arrangements, 2010<sup>a</sup>**

	<i>Number</i>
Preschools ( $q_{PRE}^d$ )	213 446
Long day care ( $q_L^d$ )	543 539
Family day care ( $q_F^d$ )	93 738
Occasional care and in-home care ( $q_O^d$ ) <sup>b</sup>	28 515
All formal ECEC <sup>c</sup>	879 238

<sup>a</sup> No account has been made for children attending more than one type of care arrangement. Data on the number of children are drawn from the NWC. These estimates differ from those given by administrative records. <sup>b</sup> Includes services approved by the Australian Government and services licensed by state authorities. <sup>c</sup> Excluding outside school hours care.

*Sources:* Productivity Commission estimates based on ABS (2008b), SCRGSP (2011) and unpublished DEEWR data from the 2010 National ECEC Workforce Census.

Data from the Report on Government Services (SCRGSP 2011a) and the ABS Childhood Education and Care Survey (ABS 2009c) are used to identify the total outlays on preschools, childcare services and other services in 2008-09 (table E.3). Total outlays were extrapolated to 2009-10 using the number of children in ECEC services. These extrapolated outlays, however, are estimates only.

The Australian Government's projected expenditure on ECEC in 2009-10, including outside school hours care (OSHC), was \$3.8 billion. This forms the Australian Government's expenditure ( $E^A$ ). Similarly, total state, territory and local government expenditure on ECEC, including OSHC, was \$0.9 billion. The total expenditure per child in 2009-10 is therefore the gross unit cost of \$5841 per year ( $p^s$ ). For all ECEC services including OSHC, net household out-of-pocket expenditures ( $p^d$ ) in 2009-10 were \$2077 per child (table E.3).

The 'childcare' and 'other' outlays identified in table E.3 were apportioned to each of the ECEC services (LDC, FDC, occasional and in-home care services approved by the Australian Government) on a pro-rata basis given by the relative number of staff and children in these services. This provides estimates of the average gross and out-of-pocket costs of each of the ECEC sectors (table E.4). These are estimates only, and form the basis for identifying demand and supply prices of ECEC services.

**Table E.3 Outlays on ECEC services, 2008-09 and 2009-10<sup>a</sup>**

	<i>Preschools</i>	<i>Child care</i>	<i>Other<sup>b</sup></i>	<i>Total</i>
2008-09, actual (\$m)				
Australian Government ( $E^A$ )	–	3 815	–	3 815
State and local governments ( $E^S$ )	635	112	11	758
Households	150	2 310	–	2 460
<i>Total<sup>c</sup></i>	<i>785</i>	<i>6 237</i>	<i>11</i>	<i>7 033</i>
2009-10, estimates (\$m)				
Australian Government ( $E^A$ )	–	3 797	–	3 797
State and local governments ( $E^S$ )	762	134	12	908
Households	158	2 438	–	2 597
<i>Total<sup>c</sup></i>	<i>920</i>	<i>6 369</i>	<i>12</i>	<i>7 302</i>
2009-10 estimates, \$ per child in ECEC				
Australian Government	–	3 663	–	3 663
State and local governments	3 570	129	10	726
Households ( $p^d$ )	742	2 552	–	2 077
<i>Total (<math>p^s</math>)</i>	<i>4 312</i>	<i>6 144</i>	<i>10</i>	<i>5 841</i>

<sup>a</sup> Includes estimates of expenditure on OSHC, although this sector is not formally included in the subsequent analysis. <sup>c</sup> 'Other' is a residual that is observed between aggregate expenditure and the expenditures reported for preschools and child care. Subsequently treated as childcare expenditure. <sup>c</sup> Totals may not add due to rounding. <sup>d</sup> – Nil or rounded to zero.

Source: Productivity Commission estimates based on ABS (2008b), SCRGSP (2011) and unpublished DEEWR data from the 2010 National ECEC Workforce Census.

**Table E.4 Estimates of the average gross and out-of-pocket costs of attending ECEC services, 2010<sup>a</sup>**

	<i>Outlays</i>	<i>Average annual cost<sup>b</sup></i> <i>(<math>p_i^s</math>)</i>	<i>Out-of-pocket cost to families</i> <i>(<math>p_i^d</math>)</i>
	\$m/year	\$/child/year	\$/child/year
Preschools <sup>c</sup>	920	4 312	742
Long day care	4 603	8 469	3 250
Family day care	613	6 538	2 530
Occasional care and in-home care	143	5 011	3 109

<sup>a</sup> OSHC is included in the budget estimates for the purpose of calibration, although this sector is not formally included in the model. <sup>b</sup> Average annual cost is the average price received by the ECEC service provider, per child per year in 2010. The difference between it and the out-of-pocket cost to families is the average subsidy paid per child. <sup>c</sup> Stand-alone preschools identified in the 2010 National ECEC Workforce Census.

Sources: ABS (2008b); Productivity Commission estimates based on unpublished DEEWR data from the 2010 National ECEC Workforce Census; SCRGSP (2011a).

Employment data were obtained from the NWC (table E.5). The number of workers in occasional care services not covered by the census were estimated on the basis of

the number of children in approved occasional care services relative to the number of children in non-approved occasional care services. The number of workers is the actual number of workers, and no adjustment has been made for the part and full-time mix of the workforce because there was insufficient information to distinguish the extent to which ECEC workers were employed on a part- and full-time basis.

**Table E.5 Number of workers in the ECEC sector, 2010<sup>a</sup>**

	<i>Preschools</i>	<i>LDC</i>	<i>FDC</i>	<i>Occasional care and IHC</i>	<i>All ECEC<sup>b</sup></i>
Degree qualified or above ( $I_B^d$ ) <sup>c</sup>	7 936	6 680	655	123	15 393
Advanced diploma, diploma ( $I_D^d$ )	3 671	21 299	2 189	411	27 570
Certificate III/IV ( $I_{C3}^d$ )	3 640	21 262	4 488	1 239	30 629
Certificate I/II ( $I_{C1}^d$ )	612	1 339	430	196	2 578
Unqualified ( $I_U^d$ ) <sup>d</sup>	5 782	17 217	5 778	2 336	31 113
All qualifications ( $I^d$ )	21 640	67 797	13 539	4 306	107 282

<sup>a</sup> Totals may not add due to rounding. <sup>b</sup> Excludes outside school hours care. <sup>c</sup> Includes all degree-qualified teachers in early childhood or a related qualification. <sup>d</sup> Includes qualification not known.

Source: Productivity Commission estimates based on ABS (2009c) and unpublished DEEWR data from the 2010 National ECEC Workforce Census.

Salary data were also obtained from the NWC (table E.6). These are the averages across part- and full-time workers. A cursory examination of the data suggests that the salaries for degree-qualified workers in ECEC are generally lower than those reported for ECEC teachers employed in the government school sector, after accounting for differences in the mix of part- and full-time work.

**Table E.6 Average annual salary in the ECEC sector, 2010<sup>a</sup>**

<i>Staff by highest level of qualification attainment</i>	<i>Average salary in model</i>	<i>Average salary with labour on-costs<sup>b</sup></i>
	<i>\$/year</i>	<i>\$/year</i>
Degree qualified or above ( $w_B$ ) <sup>c</sup>	39 000	46 020
Diploma, or advanced diploma ( $w_D$ )	34 500	40 710
Certificate III or IV ( $w_{C3}$ )	27 100	31 978
Certificate I or II ( $w_{C1}$ )	26 000	30 680
Unqualified or qual. not known ( $w_U$ )	26 000	30 680

<sup>a</sup> Based on wages observed in the NWC, and are averages between part- and full-time workers. <sup>b</sup> Includes a loading of 18 per cent for staff on-costs. <sup>c</sup> These salaries are lower than those reported for teachers in the government schools sector (chapter 5).

Sources: Productivity Commission estimates based on unpublished DEEWR data from the 2010 National ECEC Workforce Census.

The Commission then compared the total wage costs (implied by tables E.5 and E.6) with the total outlays (and costs) (reported in table E.4). The unaccounted costs were assumed to include a mixture of operating costs (such as repairs and maintenance, supplies, utilities, and so on) and payments to capital (including rent). These were allocated to capital and other costs (table E.7).

**Table E.7 Estimates of non-salary costs, 2010<sup>a</sup>**

<i>ECEC sector</i>	<i>Average cost per service</i>
	(\$/service/year)
Preschools	19 374
Long day care	377 021
Family day care <sup>b</sup>	485 684
Occasional care and in-home care	10 638

<sup>a</sup> Includes non-labour and non-rental costs such as repairs and maintenance, equipment and supplies, and energy costs. Discrepancies in the data mean that caution should be exercised when interpreting these cost items. <sup>b</sup> The non-salary costs are averaged across coordination units, not across individual workers.

*Source:* Productivity Commission estimates based on unpublished DEEWR data from the 2010 National ECEC Workforce Census.

From the total outlays and out-of-pocket expenses in table E.4, it was possible to obtain estimates of the average expenditure shares of Australian, state and territory governments. These were used to infer the average subsidy rate. For example, \$134 million of expenditure by state and territory governments to non-preschool ECEC services, when pro-rated between services, implied an average subsidy rate of 0.0226 (2.26 per cent) (table E.8). These subsidy rates are assumed to be marginal rates.

The subsidy rates in table E.8 do not include \$955 million of expenditures made by the Australian Government to the states and territories under the NPA ECE and the \$61 million of expenditure made under the NPA NQA ECE. These payments are transfers between governments and do not change the total government expenditure on ECEC. Rather, they serve to redistribute expenditures between the two levels of government. As a result, they were not formally included in the model because they do not directly affect the subsidy rates faced by families and ECEC services (table E.8). However, they have been included in the estimates of each level of government's expenditure (section E.5, table E.12).

**Table E.8 Implied average subsidy rates paid by governments to ECEC services and families, 2010<sup>a</sup>**

		<i>Preschools</i>	<i>LDC</i>	<i>FDC</i>	<i>Occasional care</i>
<b>Expenditure shares</b>					
Australian Government	rate	–	0.5952	0.5952	0.3429
State, territory and local government	rate	0.8280	0.0226	0.0226	0.0366
Households	rate	0.1720	0.3823	0.3823	0.6205
<b>Australian Government subsidies</b>					
Average rate <sup>b</sup>	$\sigma^A$ rate	–	0.6089	0.6089	0.3559 <sup>c</sup>
<b>State and local government subsidies</b>					
Subsidy rates	$(\sigma_j^B)$ rate	0.8280	0.0226	0.0226	0.0366

<sup>a</sup> Does not include Australian Government funding for additional university places, fee waivers, and additional commitments for vocational education and training (including waiving of fees). <sup>b</sup> Includes the CCB and a CCR of 50 per cent. For simplicity, the CCB is assumed to be indexed to the cost of child care. <sup>c</sup> The relatively low subsidy rates for occasional care and in-home care services reflects that most occasional care providers do not qualify for the CCB and CCR. – Nil.

Sources: Productivity Commission estimates based on unpublished DEEWR data from the 2010 National ECEC Workforce Census; SCRGSP (2011a); ABS (2009c).

The subsidies described in table E.8 do not include subsidies provided for training workers — such as additional university places and fee waivers for certain courses in the vocational education and training sector. These subsidies are discussed in chapters 10 and 11.

## E.4 Policy scenarios

As noted earlier, the purpose of the model is to provide some insight into the consequences of the COAG ECEC reforms on the sector, its workforce, households and government expenditures. It does this by considering what the ECEC sector and workforce might have looked like had the reform targets (scheduled for 2016) been in place in 2010. As noted, the modelling is not intended to be a detailed projection of the state of the ECEC sector and its workforce in 2016.

Thirty-six scenarios were modelled. Each scenario examined some aspect of the way the costs of the reforms are shared between households and governments, how responsive labour markets are to changes in wages, how responsive ECEC demand is to changes in out-of-pocket fees, and how responsive labour supply is to changes in ECEC costs (table E.9).

The NPA ECE and NQS targets, and the cost-sharing arrangements, are discussed below. The various elasticities used in the scenarios were described in section E.3 and summarised in table E.1.

Table E.9 Summary of key elements of scenarios

Scenarios																																									
NPA ECE and NQS policy targets																																									
NPA ECE	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
NQS	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
Elasticity of child care demand																																									
Relatively low elasticity	✓		✓			✓				✓				✓				✓							✓										✓				✓		
Moderately elasticity		✓					✓				✓				✓				✓							✓									✓				✓		
Relatively high elasticity			✓					✓				✓				✓				✓							✓								✓				✓		
Own wage elasticity of labour supply																																									
Inelastic	✓	✓																	✓	✓																					
Moderately elastic			✓																																						
Elastic																																									
Child care cost elasticity of labour supply																																									
Effect	✓	✓	✓	✓	✓	✓	✓	✓	✓										✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
No effect										✓	✓	✓	✓	✓	✓	✓	✓	✓																							
Cost sharing																																									
Current cost sharing	✓	✓	✓	✓	✓	✓	✓	✓	✓																																
Cost increases borne by governments										✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	

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## The NPA ECE and NQS policy reforms

The two policy reforms under consideration are the NPA ECE and the NQS. The NPA ECE target is that 95 per cent of children have access to 15 hours of preschool programs per week in the year before formal schooling. As illustrated in figure E.1, this policy is equivalent to raising the demand for preschool services.

The objective of the NQS is to raise the quality of education and care delivered to children. It raises the qualification requirements for ECEC workers, and the staff-to-child ratios in ECEC services. As illustrated in figure E.1, this policy can be represented as an increase in the number of ECEC workers in specific employment categories that must be employed in the sector.

### *NPA ECE reforms*

The NPA ECE reforms target children in the year before formal schooling. Since the model does not distinguish between the different types of services provided to children by a single organisation (for example, many LDCs provide both preschool programs and child care), it has been assumed that:

- both preschools and LDCs will increase the number of hours of preschool programs delivered to preschool-aged children currently attending those services
- all children not currently attending a preschool program will attend a government or community-run preschool service.

The effect of this assumption is that it overstates the number of children (or children-equivalents, as defined later) that will attend the preschool sector since it does not allow for the possibility of LDCs taking on additional preschool-aged children.

This assumption may affect how costs are shared between households, the Australian Government and state and territory governments. It is likely to slightly overstate household expenditure since preschool-aged children in LDCs may now qualify for some state and territory government assistance. State and territory government expenditure is not likely to be affected greatly, since they are expected to continue to fund preschool programs irrespective of whether children are accessing those programs in preschools or LDCs. The Australian Government's CCB and CCR payments may be overstated because eligible children in LDCs are likely to be attending government-subsidised preschool programs.

This assumption, however, is not likely to affect the robustness of the modelling results. This approach means that the effects on the ‘preschool sector’ can be re-interpreted to be represent the effects on all preschool programs. LDC costs are not likely to be greatly over-stated by this assumption, because it is the NQS, not the NPA ECE, that is the major cost driver for LDCs.

Data for calculating the additional number of preschool services were provided by DEEWR. These indicate that there were about 268 000 preschool-age children in Australia in 2009 (table E.10). The NPA ECE reform requires that 95 per cent of children have access to 15 hours of preschool services or programs per week in the year before formal schooling. Given the number of four-year olds, this implies that the NPA ECE is intend to result in the provision of approximately 3.82 million hours of preschool programs per week.

**Table E.10 Estimates of the number of children required to attend preschool programs**

		<i>Number</i>
<b>NPA ECE reform</b>		
Number of preschool-age children in Australia (2009)	Number of children	268 102
NPA ECE target number	Number of children	254 697
NPA ECE target hours	Hours per week	3 820 454
<b>Preschool programs in 2009</b>		
Children who attended preschool programs <sup>a</sup>	Number of children	204 822
Hours of preschool programs delivered <sup>b</sup>	Hours per week	2 656 446
Number of additional hours of preschool required to meet NQS	Hours per week	1 164 008
Number of additional hours of preschool, expressed as a number of children <sup>c</sup>	Number of children	90 817

<sup>a</sup> Includes children attending government, community-run and privately operated preschools, as well as preschool programs in privately operated LDC centres. This estimate was based on data from SCRGSP (2011a) augmented by data provided by DEEWR for NSW and Victoria following the modelling roundtable. These data are for 2009 and so differ from the 2010 National ECEC Workforce Census estimates reported in table E.2. The DEEWR estimate is used to calculate the number of additional children required to meet the NPA ECE targets. The 2010 ECEC National Workforce Census estimates are used as the main variables in the model to maintain consistency within the model. <sup>b</sup> Estimate based on average preschool hours of attendance in each jurisdiction (chapter 5). <sup>c</sup> Equal to the number of additional hours per week, divided by the current (2009) hours of attendance.

*Sources:* Productivity Commission calculations based on SCRGSP (2011a); National ECEC Workforce Census (2010); NPA ECE annual reports.

For the purpose of calculating the effect of the NPA ECE, it is assumed that there were 204 000 children attending preschool programs in the year before formal schooling in 2009-10. They attended 2.66 million hours of preschool programs per week on average. Since the NPA ECE target is 3.82 million hours per week, an additional 1.16 million hours of preschool per week needs to be provided to meet

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this gap. This is equivalent to providing services to an additional 90 817 children (when measured in terms of their current hours of attendance).

### *NQS reforms*

Most of the net growth in the demand for ECEC workers will arise from the growth in the number of children attending ECEC services (equation E.9). The relative rate of growth in demand for workers within each employment category, initially, depends on the prevailing staff-to-child ratios in each jurisdiction.

A number of adjustments were undertaken to ensure that the number of staff providing the services reflected the nationally agreed staff-to-child ratios and minimum qualification requirements.

A summary of these adjustments are given in table E.11. The two sets of NQS reforms are represented by two types of modifications to the data in the model. The first is the number of staff that are regarded to have completed their ‘working towards’ requirements towards a certificate III or diploma qualification. All of the current unqualified and certificate I/II staff are treated as having completed their ‘working towards’, except for those that are in non-contact roles. In the model this is represented as a change to both the demand and supply of those workers. For example, as a result of the reforms there will be 601 fewer certificate I/II and 5771 fewer unqualified workers in the preschool sector. Between them, there will be 6372 educators that will have worked towards a certificate III qualification.

Only after staff were reallocated on this basis were the additional labour requirements estimated. Following discussions at the modelling roundtable, it was agreed that the preschool sector is well served by the existing stock of degree-qualified educators. However, in a few jurisdictions, the NQS requires an increase in the number of suitably qualified educators that cannot be met by existing working towards provisions or numbers of degree-qualified teachers. The Commission has estimated that an additional 663 diploma-qualified educators are required. (This represents a 12 per cent increase in the estimated future workforce of preschool diploma-qualified educators.)

The increase in staffing requirements implied in table E.10 and in table E.11 does not indicate the ‘final’ staffing requirements. Rather, these are the ‘first round’ or ‘direct’ effects of the reforms. The eventual size of the ECEC workforce will depend upon the effect that higher wages have on the costs and fees of ECEC services as illustrated in figure E.1.

**Table E.11 Adjustments for staff requirements arising from staff-to-child ratios and qualification requirements<sup>a</sup>**

<i>ECEC qualifications</i>	<i>Preschools</i>	<i>LDC</i>	<i>FDC</i>	<i>Total</i>
<b>Existing staff who attain a higher level of qualification</b>				
Diploma	–	–	132	132
Certificate III/IV	6 372	15 124	5 978	27 474
Certificate I/II <sup>b</sup>	–601	– 1 133	–415	–2 149
Unqualified <sup>b</sup>	–5 771	–13 991	–5 695	–25 457
<b>Additional staff</b>				
Degree-qualified <sup>c</sup>	–	1 250	–	1 250
Advanced diploma, diploma	663	9 116	–	9 779
Certificate III/IV	–	3 594	–	3 594

<sup>a</sup> Totals may not sum due to rounding. <sup>b</sup> The negative number of educators represents a reduction in the number of educators with these qualifications in the sector. <sup>c</sup> Assumes one degree-qualified teacher per 60 preschool-aged children.

Source: Productivity Commission calculations based on the 2010 National ECEC Workforce Census and state and territory government data.

## Cost-sharing arrangements

The cost-sharing arrangements between households and the Australian, state, territory and local governments are represented in two ways.

In the first case, it is assumed for simplicity that costs continue to be shared according to the pattern in which they were shared in 2010. This means that the Australian Government funds the ECEC sector chiefly through the CCB and CCR. CCB payments are indexed to the consumer price index (CPI). The CCR is an *ad valorem* subsidy which increases proportionally with the cost of service provision and is set at 50 per cent.<sup>6</sup> For simplicity, the CCB is assumed to be indexed to the cost of ECEC services in the model. The effect of this assumption is to convert the CCB and CCR into a slightly more generous subsidy comprising a single *ad valorem* rate of 60.89 per cent (table E.8). In the case of the preschool sector, state and territory governments (and local governments in some jurisdictions) are assumed to bear all unit cost increases to reflect governments' commitments under the NPA ECE that cost should not pose a barrier to access to preschool. In this instance, the relevant price equations are E.6 and E.7.

Additional payments by the Australian Government to state and territory governments are treated as transfers between governments. This redistributes the

<sup>6</sup> The CCR is capped at \$7500 and only a relatively small number of families reach this cap. The cap is not explicitly included in this model.

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costs of ECEC services between the two levels of governments but, in the context of the model, does not change the cost burden on households.

In the second case, all cost increases are borne by governments — the Australian Government in the case of LDC, FDC and occasional care, and state and territory governments in the case of preschools. Here the relevant price equations are E.7' and E.8' respectively. This is a stylistic cost-sharing arrangement under which there would be no out-of-pocket fee increase for parents (although parents of children who had not previously accessed preschool services are assumed to pay for the additional preschool services they demand). This cost-sharing arrangement is presented here for illustrative purposes only — it indicates the possible implications of governments increasing their relative contribution to the ECEC sector. This is not currently agreed policy of Australian governments. The inclusion of this scenario is not meant in any way to imply that the Commission supports this as a future policy option.

## **E.5 Results**

The effect of the policy reforms, including the extent to which they affect demand for ECEC services, increase wages and raise employment levels, depends on the cost-sharing arrangements between households and governments. The greater the share of cost borne by governments, the less likely it is that the reforms would crowd out some demand for ECEC services. Table E.12 shows the key results for both cost-sharing arrangements.

### **Results under the current cost-sharing approach**

Under existing cost-sharing arrangements and assuming no additional waivers, the number of hours offered by preschools (as represented by children-equivalents) is assumed to increase by around 40 per cent.<sup>7</sup> This increase comprises a combination of additional children attending stand-alone preschool services, additional hours provided to children attending those services and additional hours to children attending preschool programs in LDCs.

In line with reform objectives, the proportion of the workforce holding certificate III or higher qualifications is also assumed to increase substantially, from 71 per cent

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<sup>7</sup> The number of additional children-equivalents is defined as the number of children-hours provided by preschool services divided by the average pre-reform level of preschool attendance (table E.10).

to almost 100 per cent in preschools, from 73 per cent to 96 per cent in LDC, and from 54 per cent to over 99 per cent in FDC.

**Table E.12 Key results**

	2010 Base case	Current cost-sharing arrangements		Governments bearing the cost of the reforms	
		Mid-point <sup>a</sup>	Range <sup>b</sup>	Mid-point <sup>c</sup>	Range <sup>d</sup>
Share of staff with certificate III or greater (per cent)					
Preschools	70.5	99.9	–	99.9	–
LDC	72.6	95.5	–	95.5	–
FDC	54.2	99.3	–	99.3	–
Occasional care & IHC	41.2	41.2	–	41.2	–
Average cost per child (\$/child/year)					
Preschools	4 312	4 876	4 747–5 200	5 008	4 879–5 325
LDC	8 469	9 915	9 782–10 323	10 094	9 970–10 494
FDC	6 538	6 850	6 771–7 100	6 971	6 890–7 224
Occasional care & IHC	5 011	5 107	5 065–5 241	5 191	5 149–5 321
Average out-of-pocket expense (\$/child/year)					
Preschools	742	742	742	742	–
LDC	3 237	3 790	3 739–3 946	3 237	–
FDC	2 499	2 618	2 588–2 714	2 499	–
Occasional care & IHC	3 109	3 169	3 143–3 252	3 109	–
Children attending ECEC services (number)					
Preschools	213 446	305 499	304 738–306 164	305 499	304 738–306 164
LDC	543 539	484 977	448 293–521 007	545 040	544 116–545 847
FDC	93 738	91 763	90 449–92 959	94 628	94 081–95 107
Occasional care & IHC	28 515	28 160	27 996–28 353	28 515	28 515
Total	879 238	910 399	872 971–947 057	973 682	971 450–975 633
Average annual salary (including on-costs, \$/year)					
Degree-qualified workers <sup>e</sup>	46 020	53 599	51 240–58 599	55 389	52 978–60 192
Diploma or advanced diploma	40 710	45 599	44 160–50 470	47 619	46 428–52 295
Certificate III/IV	31 978	32 349	32 099–33 198	32 872	32 562–33 798
Certificate I/II	30 680	30 488	30 181–30 644	30 733	30 717–30 766
Unqualified <sup>f</sup>	30 680	30 410	30 029–30 602	30 690	30 684–30 701
ECEC workers (number)					
Preschools	21 641	31 922	31 842–31 991	31 922	31 842–31 991
LDC	67 797	72 947	67 429–78 368	81 982	81 843–82 103
FDC	13 540	13 254	13 064–13 428	13 668	13 589–13 738
Occasional care & IHC	4 305	4 253	4 228–4 281	4 305	4 305
All ECEC workers	107 283	122 376	116 721–127 919	131 877	131 579–132 137

(Continued next page)

Table E.12 (continued)

	2010 Base Case	Current cost-sharing arrangements		Governments bearing the cost of the reforms	
		Mid-point <sup>a</sup>	Range <sup>b</sup>	Mid-point <sup>c</sup>	Range <sup>d</sup>
<i>Expenditure (\$m/year)</i>					
Households	2 241	2 394	2 266–2 598	2 316	2 311–2 321
Australian Government	3 154	3 285	3 086–3 601	4 075	3 992–4 323
with NPA ECE and NPA NQA ECE <sup>g</sup>	3 154	3 765	3 566–4 081	4 555	4 472–4 803
State, territory & local govts.	885	1 391	1 348–1 499	1 448	1 403–1 553
with NPA ECE and NPA NQA ECE <sup>h</sup>	885	911	868–1 019	968	923–1 073
Total	6 279	7 070	6 737–7 698	7 839	7 707–8 197

<sup>a</sup> Scenario 14 includes mid-point estimates for the elasticities of child care demand and own-wage supply of labour. It also assumes that ECEC costs do not influence ECEC worker labour supply decisions. <sup>b</sup> Scenarios 10 to 18 include a range of elasticities for child care demand and own-wage supply of labour. It assumes that ECEC costs do not influence ECEC worker labour supply decisions. <sup>c</sup> Scenario 32 includes mid-point estimates for the elasticities of child care demand and own-wage supply of labour. It assumes that ECEC costs do not influence ECEC worker labour supply decisions. <sup>d</sup> Scenarios 28 to 36 include a range of elasticities for child care demand and own-wage supply of labour. It also assumes that ECEC costs do not influence ECEC worker labour supply decisions. <sup>e</sup> Includes three- and four-year degree-qualified teachers. <sup>f</sup> Includes educational attainment not known. <sup>g</sup> Australian Government expenditure includes \$479.5 million worth of NPA ECE and NPA NQA ECE payments to the states and territories in 2016. <sup>h</sup> State and territory government expenditure is reduced by \$479.5 million worth of NPA ECE and NPA NQA ECE payments from the Australian Government in 2016.

Source: Productivity Commission calculations; Treasury (2011b).

These expected changes are estimated to have a number of consequences. There is a cost to implement these reforms. The average (gross) cost per child is estimated to increase by between 10 and 21 per cent for preschool (from \$4312), 16 and 22 per cent for LDC (from \$8469), 4 and 9 per cent for FDC (from \$6538), and 1 and 5 per cent for occasional and in-home care services (from \$5011).

The cost increases are least for occasional and in-home care services because these services are not subject to any policy reforms, but nonetheless compete with the other sectors for the same workers. The FDC sector is estimated to experience a slightly higher cost increase because it is expected to recruit staff with higher qualifications, and accordingly pay slightly higher wages. LDC cost increases are higher still because the sector is expected to employ relatively more degree-qualified and diploma-qualified workers.

The modelling suggests that the preschool sector would also experience the highest unit cost increase because it expands more than other sectors due to government bearing the full cost increases.

In each of the other sectors (LDC, FDC, and occasional and in-home care combined), part of the cost increases are assumed to be passed to households in the form of higher out-of-pocket fees. All else given, increased out-of-pocket fees

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would be expected to lead to a reduction in the demand for ECEC services and hence the quantity supplied. Depending on the assumed elasticity of demand, modelling indicates that the number of children attending LDC will decline by between 4 and 17 per cent (from about 543 000 children), by between 1 and 3 per cent for FDC (from about 94 000 children), and by zero to 2 per cent for occasional care and in-home care services (from about 28 500 children). (As discussed below, the modelling does not allow for any positive response to the quality of ECEC services. Any such effect would moderate demand responses to higher fees.)

Declines in the LDC, FDC and occasional care and in-home care sectors partly offset the increased number of children attending the preschool sector. The number of children attending all ECEC services is estimated to change by between -1 and +8 per cent (from about 879 000 children).

Cost increases reflect increases in wages and salaries needed to attract and retain appropriately qualified workers to the ECEC sector, and to compensate them for the costs of training (privately paid tuition fees and income forgone). For example, under the modelling assumptions, the wage paid to degree-qualified early childhood teachers would need to increase by between 11 and 27 per cent (from \$46 020). Essentially this means that these workers would be paid wages broadly comparable to those of degree-qualified teachers in the government schools sector. (The starting salaries here for early childhood teachers are an average of those paid to part- and full-time workers and include labour on-costs, and in the case of degree-qualified teachers, are noticeably lower than the salaries of teachers in the schools sector). The salary costs of diploma-qualified workers are estimated to increase by between 8 and 24 per cent (from \$40 710).

The modelling results presented here can be reconciled with those of the COAG regulation impact statement (RIS) (2009h). As noted, it was estimated in the RIS that LDC out-of-pocket fees would increase by \$4.20 per day by 2016, which is equivalent to about a 7 per cent increase. This is lower than the 17 per cent increase estimated in this study. However, some of the difference is attributable to the scope of the reforms being analysed. The COAG estimate does not take into account the NPA ECE and is based only on part of the NQS (it does not include those reforms that would have been undertaken by the states and territories even in the absence of the NQS). This study incorporates both the NPA ECE and the full range of NQS reforms up until 2016.

The differences can also be explained in part by the labour market linking the ECEC sectors (as illustrated in box E.2). The additional staffing requirements for LDC (table E.11) place upward pressure on salary costs, not just for LDC but for

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the other ECEC sectors. This is particularly the case for degree-qualified workers. Not only is the ECEC sector expected to recruit additional degree-qualified workers but it has to pay extra to attract these workers from other sectors, such as the schools sector.

### **Effects of policy reforms when governments bear the costs**

Table E.12 also shows the results for the case where all levels of government are assumed to bear all the costs of implementing the reforms. (As noted, this cost-sharing arrangement is not agreed policy of Australian governments and the Commission does not in any way propose that it become so.) The reforms are assumed to achieve their objectives of substantially raising the qualification standards of ECEC educators. A substantial increase in the number of children attending preschool programs is also assumed. The main difference, however, is that there is no reduction in the number of children attending LDC and FDC. Approximately 970 000 children would be able to access ECEC services under this approach, compared to about 910 000 children if costs are partly met by parents.

The unit cost of supplying services is estimated to rise more when governments fully fund the cost of the reforms. For example, the cost per child is estimated to rise by between 13 and 23 per cent in preschools (from \$4312) and between 18 and 24 per cent in LDCs (from \$8469). This contrasts with increases of between 10 and 21 per cent for preschools and between 16 and 22 per cent for LDC under current cost-sharing arrangements.

This is because the demand for ECEC workers will be higher when governments are paying for the reforms than when consumers pay higher out-of-pocket fees. Assuming a less than perfectly elastic labour supply means wages would be higher than would otherwise be the case. For example, the wages of degree-qualified teachers are estimated to rise by between 15 and 30 per cent (from \$46 020) if governments fund the reforms, compared to between 11 and 27 per cent under current cost-sharing arrangements.

### **Sensitivities of results**

Table E.16 summarises detailed results for each of the 36 scenarios. Variations in the results highlight the importance of assumptions about elasticities of demand for childcare and the elasticities of labour supply. In essence, the cost of the reforms is estimated to be higher when the own-price elasticity of child care demand and own-wage elasticity of labour supply are each relatively inelastic. Similarly, the cost

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of the reforms is estimated to be greater the more sensitive is the supply of ECEC workers to the price of ECEC services.

### *Elasticities of demand for ECEC services*

The assumption about the magnitude of the elasticity of child care demand for ECEC services has an influence on a number of aspects of the ECEC sector and its workforce. The results of scenarios 13 and 14 are compared, as they are similar in all respects except that the elasticity of demand for ECEC is assumed to be lower in scenario 13 (tables E.1 and E.9).

The increase in the total number of children attending ECEC services is larger when the demand for ECEC services is assumed to be relatively insensitive to fee increases (8 per cent in scenario 13) than when the demand is moderately sensitive (4 per cent in scenario 14). Since households do not reduce their demand for ECEC services when their demands are relatively inelastic, out-of-pocket fees will rise proportionally more. At the same time, the NPA ECE and NQS targets are estimated to increase out-of-pocket fees by relatively *more* when the elasticity of demand is low.

Employment is estimated to increase more in scenario 13 (19 per cent) than under scenario 14 (14 per cent). This is because the higher number of children attending ECEC services in scenario 13 is estimated to increase the number of ECEC workers employed.

The reform targets would also tend to increase the wages of ECEC workers by more, the more price inelastic is ECEC demand. For example, the wages of degree-qualified workers are estimated to increase by about 19 per cent (scenario 13) compared with a 17 per cent increase in scenario 14.

### *Elasticities of labour supply*

The magnitude of the own-wage elasticity of labour supply is a key influence on the estimated effect of the reforms, as highlighted by a comparison of scenarios 11 and 14. These scenarios are similar in all respects except that the own-wage elasticities of labour supply are lower in scenario 11 than in scenario 14 (tables E.1 and E.9).

All else given, the less elastic is labour supply, the greater will be the wage increase needed to attract workers to the ECEC sector. For example, the model suggests that salary costs of degree-qualified ECEC workers would need to increase by 24 per cent in scenario 11 compared with a 17 per cent increase in scenario 14.

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Higher salary costs leading to higher childcare fees would mean that household demand for child care decreases somewhat, moderating the overall expansion in childcare services resulting from the reforms. For example, the increase in the number of children accessing ECEC services is estimated to be about 2 per cent in scenario 11, compared with 4 per cent in scenario 14.

As a result, it is estimated that there will be slightly lower employment growth in scenario 13 (13 per cent) compared to scenario 14 (14 per cent).

### *Elasticities of ECEC costs on labour supply*

The magnitude of the elasticity of child care cost on the labour supply of ECEC workers will also influence the modelled impact of the reforms. The results of scenarios 5 and 14 are compared as they are similar in all respects except that scenario 5 assumes that ECEC workers are sensitive to the costs of ECEC services and that this affects their labour supply (tables E.1 and E.9).

The more sensitive the supply of ECEC workers to the costs of child care, the smaller the increase in the number of children attending ECEC services under the reforms. For example, the number of children attending ECEC services is expected to increase by 3 per cent in scenario 5, compared with 4 per cent in scenario 14. This is because to attract the necessary staff to meet the NPA ECE and NQS targets, wages would need to rise proportionally more to compensate for the increased cost of ECEC services. For example, wages for degree-qualified workers are estimated to rise by 20 per cent in scenario 5 compared with 17 per cent in scenario 14.

Higher wages mean that ECEC services will recruit fewer ECEC workers than otherwise. For example, in scenario 5, employment is estimated to increase by almost 14 per cent compared with just over 14 per cent in scenario 14.

Moreover, the average cost per child is projected to be higher the more sensitive ECEC workers are assumed to be to ECEC service costs. For example, the unit costs of LDC are estimated to increase by 18 per cent in scenario 5 compared with 17 per cent in scenario 14. The reforms are estimated to raise costs by 13.1 per cent in scenario 5 compared with 12.6 per cent in scenario 14.

### *Histogram of selected results*

The sensitivity of the model to its assumptions can be determined by examining the range and distribution of the key results. For example, under current cost-sharing arrangements, the size of the ECEC sector is likely to grow by –1 to +8 per cent.

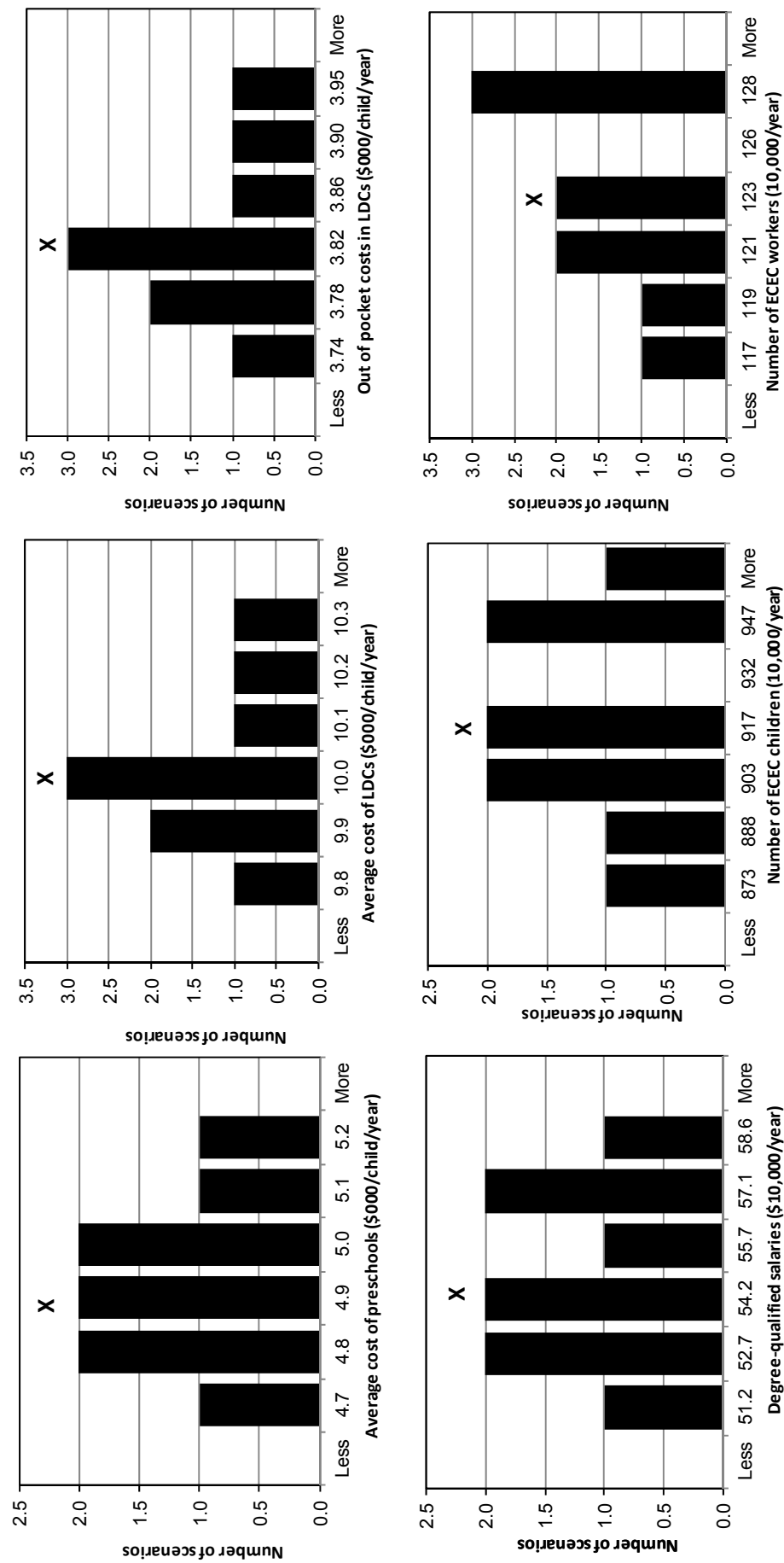
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Similarly, under current cost-sharing arrangements, the increase in the average cost per child for LDC is estimated to vary between 17 and 22 per cent.

Additional information about the distribution can be found by examining histograms of the key results (figure E.2). The ‘X’ indicates the result for the ‘mid-point’ elasticity assumption (scenario 14).

The results in figure E.2 suggest that the distributions are symmetric. For example, the mid-point estimate of the average cost of preschool is \$4876 per child per year (table E.12). This estimate sits near the middle of the distribution of preschool costs. Similarly, the mid-point estimates of the average cost and out-of-pocket fees of LDC are also within the middle of their respective distributions.

Figure E.2    Histograms of selected results: current cost-sharing arrangements<sup>a</sup>



<sup>a</sup> Histograms based on scenarios 10 to 18. X corresponds with the result for scenario 14, the mid-point elasticity estimates.  
Source: Productivity Commission calculations.

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## E.6 Scope for further work

The purpose of the model is to demonstrate how the various ECEC policy reforms could affect the ECEC workforce, particularly through the mechanism of wages and ECEC service costs and fees.

There is scope to broaden the model to examine other aspects of government policy. First, LDC, FDC, and occasional and in-home care services are imperfect substitutes. That is, increases in the price for one service relative to others will influence the demand for the other services. The Commission has not incorporated cross-price elasticities of demand between these sectors because of complexities that would be introduced to the underlying net welfare function (equation E.1). Incorporating substitution would likely lead to greater expansion of those sectors where fee increases are expected to be lower. For example, a number of households would be expected to switch their demand from LDC to the relatively lower cost FDC, occasional and in-home care.

Second, household demand for formal ECEC services also depends upon the quality of those services. Input quality, such as the proportion of staff that are qualified with certificate III or higher and the proportion of staff with two or more years of experience, were found by Kalb and Lee (2008) to be determinants of the demand for ECEC services. These input variables, however, were not included in the model because the current structural form of the model does not lend itself to measures of input quality. Including an input measure of quality of care could lead to an increase in demand for ECEC services, although the extent of the increase will depend on the relevant elasticity.

Finally, the wages of degree-qualified workers are averaged across the ECEC sector in the model. As noted in chapter 5, many government-run preschools already pay wages to ECEC teachers that are commensurate with the wages paid to similarly-qualified workers in the school sector. Accommodating these wage differences would be likely to influence the results, by reducing the required wage increases for teachers in preschools and pushing up wage increases for LDC services.

## E.7 Attachment tables

Table E.13 **Estimates of labour supply elasticities with respect to own wages, for nurses and school teachers**

<i>Authors (year)</i>	<i>Study group</i>	<i>Elasticity</i>	<i>Estimate of elasticity</i>
<b>Nurses</b>			
Phillips (1995)	UK female nurses, 1980	Hours of work	0.15
Ahlburg and Brown Mahoney (1996)	Registered Nurses in Minnesota, 1988	Participation rate	0.2
Staiger, Spetz and Phibbs (1999)	US nurses, 1990, 1992	Hours of work	0.0 to 0.2
Askildsen, Baltagi and Holmas (2003)	Norwegian nurses, 1993–1998	Hours of work	0.2
Rice (2003)	UK nurses, 1991–1999	Hours of work	0.29 to 0.38
Skatun et al. (2005)	UK married or cohabiting female nurses in public and private sectors, 1999–2000	Hours of work	0.00, 0.61
Kankaanranta and Rissanen (2009)	Part-time, full-time Finnish registered nurses, 2005	Hours of work	0.59,
	Finnish registered nurses	Participation rate	0.01
<b>Teachers</b>			
Waterreus and Dobbelsteen (2001)	Dutch male teachers, female teachers, 1998	Hours of work	0.2, 0.4
Falch (2011)	Norwegian teachers, 1993–2003	Participation rate, short and long run	0.13, 0.70
Ransom and Sims (2010)	Missouri (US) elementary and secondary teachers, 1988–1990	Participation rate	0.37
Hanushek, Kain and Rivkin (2004)	Texas (US) teachers. Males and females with up to 3, 3–5, 6–10, 11–20 and 20 or more years of experience, 1993–1996	Participation rate	0.26, 0.34, 0.24, 0.14, 0.05, 0.12, 0.11, 0.07, 0.03, 0.00
Currie (1991)	Ontario (Canada) public school teachers, 1975–1983	Participation rate	0.18 to 0.27
Dahlby (1981)	English and Welsh teachers, 1948–1973	Participation rate	0.20 to 0.75

**Table E.14 Estimates of labour supply elasticities with respect to gross childcare price from Australian and international literature <sup>a,b</sup>**

	<i>No. of studies</i>	<i>No. of estimates around zero</i>		<i>Estimated elasticity</i>	
			<i>Mean</i>	<i>Minimum</i>	<i>Maximum</i>
<b>Elasticity of employment</b>					
Married mothers					
International	10 <sup>c</sup>	0	-0.34	-0.92	-0.04
Australian	3	2	-0.01	-0.02	0
All	13	2	-0.27	-0.92	0
Sole parents					
International	4 <sup>c</sup>	1	-0.29	-0.58	-0.12
Australian	2	0	-0.12	-0.19	0
All	6	1	-0.23	-0.58	0
<b>Elasticity of hours worked</b>					
Married mothers					
International	4	0	-0.34	-0.74	-0.12
Australian	3	2	-0.01	-0.02	0
All	7	1	-0.20	-0.74	0
Sole parents					
International	1	0	-0.16	-0.16	-0.16
Australian	2	0	-0.11	-0.16	-0.05
All	3	0	-0.12	-0.16	-0.05

<sup>a</sup>The elasticity of employment refers to the percentage change in the employment rate. The elasticity of hours worked refers to the percentage change in hours worked, including employment changes covered by the elasticity of employment. <sup>b</sup> The elasticities from one study, the Australian estimates by Rammohan and Whelan (2005), are not strictly gross price elasticities, rather somewhere between gross and net price elasticities. <sup>c</sup> In one study, the elasticities for two subgroups are reported.

Source: Gong, Breunig and King (2010b).

**Table E.15 Estimates of labour supply elasticities with respect to the price of child care**

<i>Author(s) (Year)</i>	<i>Country</i>	<i>Sample</i>	<i>Estimated elasticity</i>
Blau and Robins (1988)	US	Married mothers	Labour force participation (LFP) -0.38
Blau and Robins (1989)	US	Married mothers	LFP -0.77
Gustaffson and Stafford (1992)	Sweden	Married mothers	LFP (all mothers) -0.063 LFP (mothers who face no childcare rationing) -1.88
Connelly (1992)	US	Married mothers	LFP -0.6371 to -0.7045
Ribar (1992)	US	Married mothers	LFP -0.74
Ribar (1995)	US	Married mothers	LFP -0.088
Powell (1997)	Canada	Married mothers	LFP -0.38; Hours -0.32
Averett, Peters and Waldman (1997)	US	Married mothers	LFP <0; Hours -0.78
Blau and Hagy (1998)	US	Married and single mothers	LFP -0.20
Kimmel (1998)	US	Married mothers Single mothers	LFP -0.92 LFP -0.22
Powell (1998)	Canada	Married mothers	LFP (part time) -0.0178 LFP (full time) -0.1054
Anderson and Levine (1999)	US	Married mothers Unmarried mothers	LFP -0.303 LFP -0.473
Michalopoulos and Robins (2000)	Canada	Married mothers	LFP -0.156
Blundell et al (2000)	UK	Married mothers	LFP (employed partner) -0.075 LFP (unemployed partner) -0.066 Hours (employed partner) -0.084 Hours (unemployed partner) -0.048
Michalopoulos and Robins (2002)	Canada	Single mothers	LFP -0.259
Oishi (2002)	Japan	Partnered mothers	LFP -0.6
Powell (2002)	Canada	Married mothers	LFP -0.16
Chone et al. (2003)	France	Partnered mothers	LFP -0.04
Connelly and Kimmel (2003)	US	Married mothers Single mothers	LFP -0.433 LFP -1.030
Lokshin (2004)	Russia	All mothers	LFP -0.12
Del Boca, Locatelli and Vuri, (2004)	Italy	Partnered mothers	Hours -0.194
Parera-Nicolau and Mumford (2005)	UK	Partnered mothers	+1.99

(Continued next page)

Table E.15 (continued)

<i>Author(s) (Year)</i>	<i>Country</i>	<i>Sample</i>	<i>Estimated elasticity</i>
Doiron and Kalb (2005)	Australia	Partnered mothers	LFP (Total) -0.02 (Low wages) -0.023 or -0.047 (Preschool aged child) -0.05 (Preschool and low wages) -0.031 or -0.061. Hours (Total) -0.021 or -0.034 (Low wages) -0.027 or -0.045 (Preschool aged child) -0.048 or -0.066 (Preschool and low wages) -0.053 or -0.079.
		Lone parents	LFP (Total) -0.05 or -0.10 (Low wages) -0.038 or -0.189 (Preschool aged child) -0.136 (Preschool and low wages) -0.126 or -0.000. Hours (Total) -0.053 or -0.15 (Low wages) -0.062 or -0.263 (Preschool aged child) -0.175 or -0.280 (Preschool and low wages) -0.216 or -0.054.
Rammohan and Whelan (2006)	Australia	Married mothers	LFP -0.28 (-0.06 part time, -0.21 full time)
Wrohlich (2006)	Germany	Partnered mothers	LFP -0.02 Hours -0.08
Kornstad and Thoresen (2007)	Norway	Partnered mothers	LFP -0.12 Hours -0.14
Kalb and Lee (2008)	Australia	Partnered mothers Single mothers	Hours -0.0 to -0.028 Hours -0.137 to -0.164
Rammohan and Whelan (2007)	Australia	Married mothers	LFP part-time -0.06 LFP full-time -0.21

Source: Adapted from Kalb (2009) and Buckingham (2008).

**Table E.16 Detailed results of the effects of reforms on ECEC services, costs and prices**

	Base case	Scenario 1		Scenario 2		Scenario 3		Scenario 4		Scenario 5		Scenario 6	
Elasticity of ECEC demand		Low		Moderate		High		Low		Moderate		High	
Elasticity of labour supply		Low		Low		Low		Moderate		Moderate		Moderate	
ECEC costs on labour supply		Effect		Effect		Effect		Effect		Effect		Effect	
Cost-sharing arrangements		Current		Current		Current		Current		Current		Current	
Service quality (Per cent of staff with cert. III or greater)													
Preschools	70.5	99.9	41.8	99.9	41.8	99.9	41.8	99.9	41.8	99.9	41.8	99.9	41.8
Long day care	72.6	95.8	31.9	95.8	31.9	95.8	31.9	95.8	31.9	95.8	31.9	95.8	31.9
Family day care	54.2	99.3	83.3	99.3	83.3	99.3	83.3	99.3	83.3	99.3	83.3	99.3	83.3
Occasional & in-home care	41.2	41.2	—	41.2	—	41.2	—	41.2	—	41.2	—	41.2	—
Number of children in:													
Preschools	213 446	304 738	42.8	305 499	43.1	306 164	43.4	304 738	42.8	305 499	43.1	306 164	43.4
Long day care	543 539	510 435	-6.1	468 560	-13.8	439 629	-19.1	517 772	-4.7	481 536	-11.4	453 909	-16.5
Family day care	93 738	91 405	-2.5	89 449	-4.6	88 961	-5.1	92 479	-1.3	91 213	-2.7	90 714	-3.2
Occasional & in-home care	28 515	27 995	-1.8	27 640	-3.1	27 650	-3.0	28 232	-1.0	27 993	-1.8	27 955	-2.0
Total no. of children in care	879 238	934 573	6.3	891 148	1.4	862 404	-1.9	943 221	7.3	906 241	3.1	878 742	-0.1
Average cost per child (\$ per year)													
Preschools	4 312	5 434	26.0	5 236	21.4	5 104	18.4	5 048	17.1	4 957	15.0	4 890	13.4
Long day care	8 469	10 577	24.9	10 310	21.7	10 131	19.6	10 118	19.5	9 998	18.1	9 908	17.0
Family day care	6 538	7 296	11.6	7 102	8.6	6 973	6.7	6 992	6.9	6 910	5.7	6 849	4.8
Occasional & in-home care	5 011	5 376	7.3	5 247	4.7	5 163	3.0	5 210	4.0	5 152	2.8	5 109	2.0
Out-of-pocket cost of care (\$ per year)													
Preschools	742	742	—	742	—	742	—	742	—	742	—	742	—
Long day care	3 237	4 043	24.9	3 941	21.7	3 873	19.6	3 868	19.5	3 822	18.1	3 787	17.0
Family day care	2 499	2 789	11.6	2 715	8.6	2 666	6.7	2 673	7.0	2 641	5.7	2 618	4.8
Occasional & in-home care	3 109	3 336	7.3	3 256	4.7	3 204	3.1	3 233	4.0	3 197	2.8	3 170	2.0

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**Table E.16** (continued)

	Base case	Scenario 1		Scenario 2		Scenario 3		Scenario 4		Scenario 5		Scenario 6	
Elasticity of ECEC demand		Low	Effect	Moderate	Low	High	Low	Low	Moderate	Moderate	High	Moderate	High
Elasticity of labour supply		Low	Effect	Low	Effect	Low	Effect	Moderate	Effect	Moderate	Effect	Moderate	Effect
ECEC costs on labour supply		Effect	Current	Effect	Current	Effect	Current	Effect	Current	Effect	Current	Effect	Current
Cost-sharing arrangements		Current	Per cent change	Current	Per cent change	Current	Per cent change	Current	Per cent change	Current	Per cent change	Current	Per cent change
<i>Number of workers by qualification by sector:</i>													
<b>Preschools</b>													
Degree	7 936	11 330	42.8	11 358	43.1	11 383	43.4	11 330	42.8	11 358	43.1	11 383	43.4
Diploma or adv. diploma	3 671	6 187	68.5	6 203	69.0	6 216	69.3	6 187	68.5	6 203	69.0	6 216	69.3
Certificate III or IV	3 640	14 294	292.7	14 330	293.7	14 361	294.5	14 294	292.7	14 330	293.7	14 361	294.5
Certificate I or II	612	16	-97.4	16	-97.4	16	-97.4	16	-97.4	16	-97.4	16	-97.4
Unqualified (or unknown)	5 782	15	-99.7	15	-99.7	15	-99.7	15	-99.7	15	-99.7	15	-99.7
Total	21 641	31 842	47.1	31 922	47.5	31 991	47.8	31 842	47.1	31 922	47.5	31 991	47.8
<b>Long day care</b>													
Degree	6 680	7 447	11.5	6 836	2.3	6 414	-4.0	7 554	13.1	7 025	5.2	6 622	-0.9
Diploma or adv. diploma	21 299	28 563	34.1	26 219	23.1	24 600	15.5	28 973	36.0	26 945	26.5	25 400	19.3
Certificate III or IV	21 262	37 545	76.6	34 465	62.1	32 337	52.1	38 085	79.1	35 419	66.6	33 387	57.0
Certificate I or II	1 339	194	-85.5	178	-86.7	167	-87.5	197	-85.3	183	-86.3	172	-87.2
Unqualified (or unknown)	17 217	3 029	-82.4	2 781	-83.8	2 609	-84.8	3 073	-82.2	2 858	-83.4	2 694	-84.4
Total	67 797	76 778	13.2	70 479	4.0	66 127	-2.5	77 882	14.9	72 430	6.8	68 275	0.7
<b>Family day care</b>													
Degree	655	638	-2.6	625	-4.6	621	-5.2	646	-1.4	637	-2.7	633	-3.4
Diploma or adv. diploma	2 189	2 263	3.4	2 215	1.2	2 203	0.6	2 290	4.6	2 258	3.2	2 246	2.6
Certificate III or IV	4 488	10 205	127.4	9 987	122.5	9 932	121.3	10 325	130.1	10 184	126.9	10 128	125.7
Certificate I or II	430	14	-96.7	14	-96.7	14	-96.7	15	-96.5	14	-96.7	14	-96.7
Unqualified (or unknown)	5 778	81	-98.6	80	-98.6	79	-98.6	82	-98.6	81	-98.6	81	-98.6
Total	13 539	13 201	-2.5	12 921	-4.6	12 849	-5.1	13 358	-1.3	13 174	-2.7	13 102	-3.2

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Table E.16 (continued)

	Base case		Scenario 1		Scenario 2		Scenario 3		Scenario 4		Scenario 5		Scenario 6	
Elasticity of ECEC demand			Low		Moderate		High		Low		Moderate		High	
Elasticity of labour supply			Low		Low		Low		Moderate		Moderate		Moderate	
ECEC costs on labour supply			Effect		Effect		Effect		Effect		Effect		Effect	
Cost-sharing arrangements			Current		Current		Current		Current		Current		Current	
			Per cent change		Per cent change		Per cent change		Per cent change		Per cent change		Per cent change	
Occasional & in-home care														
Degree	123		121	-1.6	120	-2.4	120	-2.4	122	-0.8	121	-1.6	121	-1.6
Diploma or adv. diploma	411		403	-1.9	398	-3.2	398	-3.2	407	-1.0	403	-1.9	403	-1.9
Certificate III or IV	1 239		1 217	-1.8	1 201	-3.1	1 202	-3.0	1 227	-1.0	1 217	-1.8	1 215	-1.9
Certificate I or II	196		193	-1.5	190	-3.1	190	-3.1	194	-1.0	193	-1.5	192	-2.0
Unqualified (or unknown)	2 336		2 294	-1.8	2 264	-3.1	2 265	-3.0	2 313	-1.0	2 293	-1.8	2 290	-2.0
Total	4 305		4 228	-1.8	4 173	-3.1	4 175	-3.0	4 263	-1.0	4 227	-1.8	4 221	-2.0
All ECEC														
Degree	15 394		19 536	26.9	18 939	23.0	18 538	20.4	19 652	27.7	19 141	24.3	18 759	21.9
Diploma or adv. diploma	27 570		37 416	35.7	35 035	27.1	33 417	21.2	37 857	37.3	35 809	29.9	34 265	24.3
Certificate III or IV	30 629		63 261	106.5	59 983	95.8	57 832	88.8	63 931	108.7	61 150	99.6	59 091	92.9
Certificate I or II	2 577		417	-83.8	398	-84.6	387	-85.0	422	-83.6	406	-84.2	394	-84.7
Unqualified (or unknown)	31 113		5 419	-82.6	5 140	-83.5	4 968	-84.0	5 483	-82.4	5 247	-83.1	5 080	-83.7
Total	107 283		126 049	17.5	119 495	11.4	115 142	7.3	127 345	18.7	121 753	13.5	117 589	9.6
Average wage/salary (\$/year)														
Degree	46 020		62 424	35.6	59 831	30.0	58 098	26.2	56 301	22.3	55 046	19.6	54 106	17.6
Diploma or adv. diploma	40 710		52 598	29.2	49 790	22.3	47 890	17.6	47 632	17.0	46 302	13.7	45 299	11.3
Certificate III or IV	31 978		34 230	7.0	33 285	4.1	32 663	2.1	32 994	3.2	32 638	2.1	32 374	1.2
Certificate I or II	30 680		31 048	1.2	30 675	0.0	30 446	-0.8	30 851	0.6	30 671	0.0	30 544	-0.4
Unqualified (or unknown)	30 680		30 959	0.9	30 549	-0.4	30 292	-1.3	30 794	0.4	30 592	-0.3	30 447	-0.8
Source of expenditure (\$m/year)														
Households	2 241		2 638	17.7	2 406	7.4	2 255	0.6	2 567	14.6	2 397	7.0	2 272	1.4
Australian Government	3 154		3 662	16.1	3 303	4.7	3 069	-2.7	3 553	12.7	3 290	4.3	3 095	-1.8
State & local govts.	885		1 572	77.7	1 502	69.7	1 455	64.4	1 450	63.9	1 416	60.0	1 391	57.1
Total	6 279		7 872	25.4	7 211	14.8	6 780	8.0	7 571	20.6	7 103	13.1	6 758	7.6

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**Table E.16** (continued)

	Base case	Scenario 7		Scenario 8		Scenario 9		Scenario 10		Scenario 11		Scenario 12	
Elasticity of ECEC demand		Low		Moderate		High		Low		Moderate		High	
Elasticity of labour supply		High		High		High		Low		Low		Low	
ECEC costs on labour supply		Effect		Effect		Effect		No effect		No effect		No effect	
Cost-sharing arrangements		Current		Current		Current		Current		Current		Current	
Service quality (Per cent of staff with cert. III or greater)													
Preschools	70.5	99.9	41.8	99.9	41.8	99.9	41.8	99.9	41.8	99.9	41.8	99.9	41.8
Long day care	72.6	95.8	31.9	95.8	31.9	95.8	31.9	95.8	31.9	95.8	31.9	95.8	31.9
Family day care	54.1	99.3	83.3	99.3	83.3	99.3	83.3	99.3	83.3	99.3	83.3	99.3	83.3
Occasional & in-home care	41.2	41.2	—	41.2	—	41.2	—	41.2	—	41.2	—	41.2	—
Number of children in:													
Preschools	213 446	304 738	42.8	305 499	43.1	306 164	43.4	304 738	42.8	305 499	43.1	306 164	43.4
Long day care	543 539	519 926	-4.3	485 705	-10.6	458 816	-15.6	514 492	-5.3	476 010	-12.4	448 293	-17.5
Family day care	93 738	92 796	-1.0	91 793	-2.1	91 347	-2.6	92 094	-1.8	90 722	-3.2	90 449	-3.5
Occasional & in-home care	28 515	28 302	-0.7	28 108	-1.4	28 061	-1.6	28 188	-1.1	27 996	-1.8	28 065	-1.6
Total no. of children in care	879 238	945 762	7.6	911 105	3.6	884 388	0.6	939 512	6.9	900 227	2.4	872 971	-0.7
Average cost per child (\$ per year)													
Preschools	4 312	4 904	13.7	4 843	12.3	4 795	11.2	5 200	20.6	5 066	17.5	4 972	15.3
Long day care	8 469	9 983	17.9	9 897	16.9	9 831	16.1	10 323	21.9	10 131	19.6	9 996	18.0
Family day care	6 538	6 902	5.6	6 847	4.7	6 804	4.1	7 100	8.6	6 963	6.5	6 868	5.0
Occasional & in-home care	5 011	5 160	3.0	5 121	2.2	5 091	1.6	5 241	4.6	5 151	2.8	5 090	1.6
Out-of-pocket cost of care (\$ per year)													
Preschools	742	742	—	742	—	742	—	742	—	742	—	742	—
Long day care	3 237	3 816	17.9	3 783	16.9	3 758	16.1	3 946	21.9	3 873	19.6	3 821	18.0
Family day care	2 499	2 638	5.6	2 617	4.7	2 601	4.1	2 714	8.6	2 662	6.5	2 625	5.0
Occasional & in-home care	3 109	3 202	3.0	3 178	2.2	3 159	1.6	3 252	4.6	3 196	2.8	3 158	1.6

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**Table E.16** (continued)

	Base case	Scenario 7		Scenario 8		Scenario 9		Scenario 10		Scenario 11		Scenario 12	
		Low	High	Moderate	High	High	High	Low	Low	Moderate	Low	High	Low
Elasticity of ECEC demand													
Elasticity of labour supply													
ECEC costs on labour supply		Effect	Effect	Effect	Effect	Effect	Effect	No effect	No effect	No effect	No effect	No effect	No effect
Cost-sharing arrangements		Current	Current	Current	Current	Current	Current	Current	Current	Current	Current	Current	Current
<i>Number of workers by qualification by sector:</i>													
<i>Preschools</i>													
Degree	7 936	11 330	42.8	11 358	43.1	11 383	43.4	11 330	42.8	11 358	43.1	11 383	43.4
Diploma or adv. diploma	3 671	6 187	68.5	6 203	69.0	6 216	69.3	6 187	68.5	6 203	69.0	6 216	69.3
Certificate III or IV	3 640	14 294	292.7	14 330	293.7	14 361	294.5	14 294	292.7	14 330	293.7	14 361	294.5
Certificate I or II	612	16	-97.4	16	-97.4	16	-97.4	16	-97.4	16	-97.4	16	-97.4
Unqualified (or unknown)	5 782	15	-99.7	15	-99.7	15	-99.7	15	-99.7	15	-99.7	15	-99.7
Total	21 641	31 842	47.1	31 922	47.5	31 991	47.8	31 842	47.1	31 922	47.5	31 991	47.8
<i>Long day care</i>													
Degree	6 680	7 585	13.5	7 086	6.1	6 694	0.2	7 506	12.4	6 944	4.0	6 540	-2.1
Diploma or adv. diploma	21 299	29 094	36.6	27 179	27.6	25 674	20.5	28 790	35.2	26 636	25.1	25 085	17.8
Certificate III or IV	21 262	38 243	79.9	35 726	68.0	33 748	58.7	37 843	78.0	35 013	64.7	32 974	55.1
Certificate I or II	1 339	197	-85.3	184	-86.3	174	-87.0	195	-85.4	181	-86.5	170	-87.3
Unqualified (or unknown)	17 217	3 085	-82.1	2 882	-83.3	2 723	-84.2	3 053	-82.3	2 825	-83.6	2 660	-84.6
Total	67 797	78 204	15.4	73 057	7.8	69 013	1.8	77 387	14.1	71 599	5.6	67 429	-0.5
<i>Family day care</i>													
Degree	655	648	-1.1	641	-2.1	638	-2.6	643	-1.8	633	-3.4	632	-3.5
Diploma or adv. diploma	2 189	2 298	5.0	2 273	3.8	2 262	3.3	2 280	4.2	2 246	2.6	2 239	2.3
Certificate III or IV	4 488	10 360	130.8	10 248	128.3	10 199	127.3	10 282	129.1	10 129	125.7	10 098	125.0
Certificate I or II	430	15	-96.5	14	-96.7	14	-96.7	15	-96.5	14	-96.7	14	-96.7
Unqualified (or unknown)	5 778	83	-98.6	82	-98.6	81	-98.6	82	-98.6	81	-98.6	81	-98.6
Total	13 540	13 404	-1.0	13 258	-2.1	13 194	-2.6	13 302	-1.8	13 103	-3.2	13 064	-3.5

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Table E.16 (continued)

	Base case	Scenario 7		Scenario 8		Scenario 9		Scenario 10		Scenario 11		Scenario 12	
Elasticity of ECEC demand		Low	High	Moderate	High	High	High	Low	Low	Moderate	Low	High	Low
Elasticity of labour supply		Effect	Effect	Effect	Effect	Effect	Effect	No effect	No effect	No effect	No effect	No effect	No effect
ECEC costs on labour supply		Current	Current	Current	Current	Current	Current	Current	Current	Current	Current	Current	Current
Cost-sharing arrangements		Per cent change	Per cent change	Per cent change	Per cent change	Per cent change	Per cent change	Per cent change	Per cent change	Per cent change	Per cent change	Per cent change	Per cent change
Occasional & in-home care													
Degree	123	122	-0.8	122	-0.8	121	-1.6	122	-0.8	121	-1.6	121	-1.6
Diploma or adv. diploma	411	408	-0.7	405	-1.5	404	-1.7	406	-1.2	403	-1.9	404	-1.7
Certificate III or IV	1 239	1 230	-0.7	1 221	-1.5	1 219	-1.6	1 225	-1.1	1 217	-1.8	1 220	-1.5
Certificate I or II	196	195	-0.5	193	-1.5	193	-1.5	194	-1.0	193	-1.5	193	-1.5
Unqualified (or unknown)	2 336	2 319	-0.7	2 303	-1.4	2 299	-1.6	2 309	-1.2	2 294	-1.8	2 299	-1.6
Total	4 305	4 274	-0.7	4 244	-1.4	4 236	-1.6	4 256	-1.1	4 228	-1.8	4 237	-1.6
All ECEC													
Degree	15 394	19 685	27.9	19 207	24.8	18 836	22.4	19 601	27.3	19 056	23.8	18 676	21.3
Diploma or adv. diploma	27 570	37 987	37.8	36 060	30.8	34 556	25.3	37 663	36.6	35 488	28.7	33 944	23.1
Certificate III or IV	30 629	64 127	109.4	61 525	100.9	59 527	94.3	63 644	107.8	60 689	98.1	58 653	91.5
Certificate I or II	2 577	423	-83.6	407	-84.2	397	-84.6	420	-83.7	404	-84.3	393	-84.7
Unqualified (or unknown)	31 113	5 502	-82.3	5 282	-83.0	5 118	-83.6	5 459	-82.5	5 215	-83.2	5 055	-83.8
Total	107 283	127 724	19.1	122 481	14.2	118 434	10.4	126 787	18.2	120 852	12.6	116 721	8.8
Average wage/salary (\$/year)													
Degree	46 020	53 570	16.4	52 731	14.6	52 082	13.2	58 599	27.3	56 974	23.8	55 834	21.3
Diploma or adv. diploma	40 710	46 417	14.0	45 400	11.5	44 608	9.6	50 470	24.0	48 339	18.7	46 827	15.0
Certificate III or IV	31 978	32 630	2.0	32 417	1.4	32 252	0.9	33 198	3.8	32 547	1.8	32 099	0.4
Certificate I or II	30 680	30 790	0.4	30 670	0.0	30 582	-0.3	30 555	-0.4	30 325	-1.2	30 181	-1.6
Unqualified (or unknown)	30 680	30 748	0.2	30 612	-0.2	30 511	-0.6	30 467	-0.7	30 201	-1.6	30 029	-2.1
Source of expenditure (\$m/year)													
Households	2 241	2 546	13.6	2 394	6.8	2 278	1.6	2 598	15.9	2 401	7.1	2 266	1.1
Australian Government	3 154	3 521	11.6	3 285	4.2	3 104	-1.6	3 601	14.2	3 296	4.5	3 086	-2.2
State & local govts.	885	1 405	58.8	1 381	56.0	1 362	53.9	1 499	69.3	1 449	63.8	1 415	59.9
Total	6 279	7 472	19.0	7 059	12.4	6 743	7.4	7 698	22.6	7 146	13.8	6 767	7.8

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**Table E.16** (continued)

	Base case	Scenario 13	Scenario 14	Scenario 15	Scenario 16	Scenario 17	Scenario 18
Elasticity of ECEC demand		Low	Moderate	High	Low	Moderate	High
Elasticity of labour supply		Moderate	Moderate	Moderate	High	High	High
ECEC costs on labour supply		No effect	No effect	No effect	No effect	No effect	No effect
Cost-sharing arrangements		Current	Current	Current	Current	Current	Current
		<i>Per cent change</i>	<i>Per cent change</i>	<i>Per cent change</i>	<i>Per cent change</i>	<i>Per cent change</i>	<i>Per cent change</i>
<i>Service quality (Per cent of staff with cert. III or greater)</i>							
Preschools	70.5	99.9	99.9	99.9	99.9	99.9	99.9
Long day care	72.6	95.8	95.8	95.8	95.8	95.8	95.8
Family day care	54.1	99.3	99.3	99.3	99.3	99.3	99.3
Occasional & in-home care	41.2	41.2	41.2	41.2	41.2	41.2	41.2
<i>Number of children in:</i>							
Preschools	213 446	304 738	305 499	306 164	304 738	305 499	306 164
Long day care	543 539	519 419	484 977	458 314	521 007	488 063	461 941
Family day care	93 738	92 741	91 763	91 421	92 959	92 150	91 822
Occasional & in-home care	28 515	28 312	28 160	28 169	28 353	28 219	28 208
Total no. of children in care	879 238	945 210	910 399	884 068	947 057	913 931	888 135
<i>Average cost per child (\$/year)</i>							
Preschools	4 312	4 948	4 876	4 821	4 841	4 788	4 747
Long day care	8 469	10 015	9 915	9 839	9 915	9 841	9 782
Family day care	6 538	6 917	6 850	6 799	6 856	6 808	6 771
Occasional & in-home care	5 011	5 154	5 107	5 072	5 125	5 091	5 065
<i>Out-of-pocket cost of care (\$ per year)</i>							
Preschools	742	742	742	742	742	742	742
Long day care	3 237	3 828	3 790	3 761	3 790	3 762	3 739
Family day care	2 499	2 644	2 618	2 599	2 621	2 602	2 588
Occasional & in-home care	3 109	3 198	3 169	3 147	3 180	3 159	3 143

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**Table E.16** (continued)

	Base case	Scenario 13	Scenario 14	Scenario 15	Scenario 16	Scenario 17	Scenario 18
Elasticity of ECEC demand		Low	Moderate	High	Low	Moderate	High
Elasticity of labour supply		Moderate	Moderate	Moderate	High	High	High
ECEC costs on labour supply		No effect	No effect	No effect	No effect	No effect	No effect
Cost-sharing arrangements		Current	Current	Current	Current	Current	Current
		<i>Per cent change</i>	<i>Per cent change</i>	<i>Per cent change</i>	<i>Per cent change</i>	<i>Per cent change</i>	<i>Per cent change</i>
<i>Number of workers by qualification by sector:</i>							
<b>Preschools</b>							
Degree	7 936	11 330	11 358	11 383	11 330	11 358	11 383
Diploma or adv. diploma	3 671	6 187	6 203	6 216	6 187	6 203	6 216
Certificate III or IV	3 640	14 294	14 330	14 361	14 294	14 330	14 361
Certificate I or II	612	16	16	16	16	16	16
Unqualified (or unknown)	5 782	15	15	15	15	15	15
Total	21 641	31 842	31 922	31 991	31 842	31 922	31 991
<b>Long day care</b>							
Degree	6 680	7 578	7 075	6 686	7 601	7 120	6 739
Diploma or adv. diploma	21 299	29 065	27 138	25 646	29 154	27 311	25 849
Certificate III or IV	21 262	38 206	35 672	33 711	38 323	35 899	33 978
Certificate I or II	1 339	197	184	174	198	185	175
Unqualified (or unknown)	17 217	3 082	2 878	2 720	3 092	2 896	2 741
Total	67 797	78 128	72 947	68 937	78 368	73 411	69 482
<b>Family day care</b>							
Degree	655	648	641	638	649	643	641
Diploma or adv. diploma	2 189	2 296	2 272	2 264	2 302	2 282	2 273
Certificate III or IV	4 488	10 354	10 245	10 207	10 379	10 288	10 252
Certificate I or II	430	15	14	14	15	15	14
Unqualified (or unknown)	5 778	83	82	81	83	82	82
Total	13 540	13 396	13 254	13 204	13 428	13 310	13 262

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Table E.16 (continued)

	Base case	Scenario 13	Scenario 14	Scenario 15	Scenario 16	Scenario 17	Scenario 18
Elasticity of ECEC demand		Low	Moderate	High	Low	Moderate	High
Elasticity of labour supply		Moderate	Moderate	Moderate	High	High	High
ECEC costs on labour supply		No effect	No effect	No effect	No effect	No effect	No effect
Cost-sharing arrangements		Current	Current	Current	Current	Current	Current
		Per cent change	Per cent change	Per cent change	Per cent change	Per cent change	Per cent change
Occasional & in-home care							
Degree	123	122	122	122	123	122	122
Diploma or adv. diploma	411	408	406	406	408	407	406
Certificate III or IV	1 239	1 230	1 224	1 224	1 232	1 226	1 226
Certificate I or II	196	195	194	194	195	194	194
Unqualified (or unknown)	2 336	2 320	2 307	2 308	2 323	2 312	2 311
Total	4 305	4 275	4 253	4 254	4 281	4 261	4 259
All ECEC							
Degree	15 394	19 678	19 196	18 829	19 703	19 243	18 885
Diploma or adv. diploma	27 570	37 956	36 019	34 532	38 051	36 203	34 744
Certificate III or IV	30 629	64 084	61 471	59 503	64 228	61 743	59 817
Certificate I or II	2 577	423	408	398	424	410	399
Unqualified (or unknown)	31 113	5 500	5 282	5 124	5 513	5 305	5 149
Total	107 283	127 641	122 376	118 386	127 919	122 904	118 994
Average wage/salary (\$/year)							
Degree	46 020	54 559	53 599	52 869	52 462	51 776	51 240
Diploma or adv. diploma	40 710	46 738	45 599	44 725	45 780	44 874	44 160
Certificate III or IV	31 978	32 636	32 349	32 132	32 427	32 245	32 104
Certificate I or II	30 680	30 624	30 488	30 392	30 644	30 548	30 476
Unqualified (or unknown)	30 680	30 567	30 410	30 296	30 602	30 490	30 405
Source of expenditure (\$m/year)							
Households	2 241	2 550	2 394	2 277	2 535	2 391	2 281
Australian Government	3 154	3 528	3 285	3 103	3 504	3 281	3 108
State & local govts.	885	1 419	1 391	1 370	1 385	1 364	1 348
Total	6 279	7 497	7 070	6 750	7 424	7 037	6 737

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**Table E.16** (continued)

	Base case	Scenario 19	Scenario 20	Scenario 21	Scenario 22	Scenario 23	Scenario 24
Elasticity of ECEC demand		Low	Moderate	High	Low	Moderate	High
Elasticity of labour supply		Low	Low	Low	Moderate	Moderate	Moderate
ECEC costs on labour supply		Effect	Effect	Effect	Effect	Effect	Effect
Cost-sharing arrangements		Govt.	Govt.	Govt.	Govt.	Govt.	Govt.
		<i>Per cent change</i>	<i>Per cent change</i>	<i>Per cent change</i>	<i>Per cent change</i>	<i>Per cent change</i>	<i>Per cent change</i>
<i>Service quality (Per cent of staff with cert. III or greater)</i>							
Preschools	70.5	99.9	41.8	99.9	41.8	99.9	41.8
Long day care	72.6	95.8	31.9	95.8	31.9	95.8	31.9
Family day care	54.1	99.3	83.3	99.3	83.3	99.3	83.3
Occasional & in-home care	41.2	41.2	—	41.2	—	41.2	—
<i>Number of children in:</i>							
Preschools	213 446	304 738	42.8	306 164	43.4	305 499	43.1
Long day care	543 539	544 116	0.1	545 847	0.4	545 040	0.3
Family day care	93 738	94 081	0.4	95 107	1.5	94 628	0.9
Occasional & in-home care	28 515	28 515	—	28 515	—	28 515	—
Total no. of children in care	879 238	971 450	10.5	975 633	11.0	973 682	44.4
<i>Average cost per child (\$/year)</i>							
Preschools	4 312	5 601	29.9	5 621	30.4	5 123	18.8
Long day care	8 469	10 801	27.5	10 823	27.8	10 215	20.6
Family day care	6 538	7 459	14.1	7 475	14.3	7 058	8.0
Occasional & in-home care	5 011	5 486	9.5	5 496	9.7	5 256	4.9
<i>Out-of-pocket cost of care (\$ per year)</i>							
Preschools	742	742	—	742	—	742	—
Long day care	3 237	3 237	—	3 237	—	3 237	—
Family day care	2 499	2 499	—	2 499	—	2 499	—
Occasional & in-home care	3 109	3 109	—	3 109	—	3 109	—

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**Table E.16** (continued)

	Base case	Scenario 19		Scenario 20		Scenario 21		Scenario 22		Scenario 23		Scenario 24	
Elasticity of ECEC demand		Low		Moderate		High		Low		Moderate		High	
Elasticity of labour supply		Low		Low		Low		Moderate		Moderate		Moderate	
ECEC costs on labour supply		Effect		Effect		Effect		Effect		Effect		Effect	
Cost-sharing arrangements		Govt.		Govt.		Govt.		Govt.		Govt.		Govt.	
Number of workers by qualification by sector:													
Preschools		Per cent change		Per cent change		Per cent change		Per cent change		Per cent change		Per cent change	
Degree	7 936	11 330	42.8	11 358	43.1	11 383	43.4	11 330	42.8	11 358	43.1	11 383	43.4
Diploma or adv. diploma	3 671	6 187	68.5	6 203	69.0	6 216	69.3	6 187	68.5	6 203	69.0	6 216	69.3
Certificate III or IV	3 640	14 294	292.7	14 330	293.7	14 361	294.5	14 294	292.7	14 330	293.7	14 361	294.5
Certificate I or II	612	16	-97.4	16	-97.4	16	-97.4	16	-97.4	16	-97.4	16	-97.4
Unqualified (or unknown)	5 782	15	-99.7	15	-99.7	15	-99.7	15	-99.7	15	-99.7	15	-99.7
Total	21 641	31 842	47.1	31 922	47.5	31 991	47.8	31 842	47.1	31 922	47.5	31 991	47.8
Long day care		Per cent change		Per cent change		Per cent change		Per cent change		Per cent change		Per cent change	
Degree	6 680	7 938	18.8	7 952	19.0	7 963	19.2	7 938	18.8	7 952	19.0	7 963	19.2
Diploma or adv. diploma	21 299	30 447	43.0	30 499	43.2	30 544	43.4	30 447	43.0	30 499	43.2	30 544	43.4
Certificate III or IV	21 262	40 022	88.2	40 090	88.6	40 150	88.8	40 022	88.2	40 090	88.6	40 150	88.8
Certificate I or II	1 339	207	-84.5	207	-84.5	207	-84.5	207	-84.5	207	-84.5	207	-84.5
Unqualified (or unknown)	17 217	3 229	-81.2	3 234	-81.2	3 239	-81.2	3 229	-81.2	3 234	-81.2	3 239	-81.2
Total	67 797	81 843	20.7	81 982	20.9	82 103	21.1	81 843	20.7	81 982	20.9	82 103	21.1
Family day care		Per cent change		Per cent change		Per cent change		Per cent change		Per cent change		Per cent change	
Degree	655	657	0.3	661	0.9	664	1.4	657	0.3	661	0.9	664	1.4
Diploma or adv. diploma	2 189	2 329	6.4	2 343	7.0	2 355	7.6	2 329	6.4	2 343	7.0	2 355	7.6
Certificate III or IV	4 488	10 504	134.0	10 565	135.4	10 619	136.6	10 504	134.0	10 565	135.4	10 619	136.6
Certificate I or II	430	15	-96.5	15	-96.5	15	-96.5	15	-96.5	15	-96.5	15	-96.5
Unqualified (or unknown)	5 778	84	-98.5	84	-98.5	85	-98.5	84	-98.5	84	-98.5	85	-98.5
Total	13 540	13 589	0.4	13 668	0.9	13 738	1.5	13 589	0.4	13 668	0.9	13 738	1.5

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Table E.16 (continued)

	Base case	Scenario 19	Scenario 20	Scenario 21	Scenario 22	Scenario 23	Scenario 24
		Low	Moderate	High	Low	Moderate	High
Elasticity of ECEC demand							
Elasticity of labour supply		Low	Low	Low	Moderate	Moderate	Moderate
ECEC costs on labour supply		Effect	Effect	Effect	Effect	Effect	Effect
Cost-sharing arrangements		Govt.	Govt.	Govt.	Govt.	Govt.	Govt.
		Per cent change	Per cent change	Per cent change	Per cent change	Per cent change	Per cent change
Occasional & in-home care							
Degree	123	123	123	123	123	123	123
Diploma or adv. diploma	411	411	411	411	411	411	411
Certificate III or IV	1 239	1 239	1 239	1 239	1 239	1 239	1 239
Certificate I or II	196	196	196	196	196	196	196
Unqualified (or unknown)	2 336	2 336	2 336	2 336	2 336	2 336	2 336
Total	4 305	4 305	4 305	4 305	4 305	4 305	4 305
All ECEC							
Degree	15 394	20 048	20 094	20 133	20 048	20 094	20 133
Diploma or adv. diploma	27 570	39 374	39 456	39 526	39 374	39 456	39 526
Certificate III or IV	30 629	66 059	66 224	66 369	66 059	66 224	66 369
Certificate I or II	2 577	434	434	434	434	434	434
Unqualified (or unknown)	31 113	5 664	5 669	5 675	5 664	5 669	5 675
Total	107 283	131 579	131 877	132 137	131 579	131 877	132 137
Average wage/salary (\$/year)							
Degree	46 020	64 634	64 807	64 959	57 273	57 377	57 467
Diploma or adv. diploma	40 710	54 917	55 018	55 106	48 620	48 675	48 722
Certificate III or IV	31 978	35 035	35 082	35 123	33 266	33 286	33 305
Certificate I or II	30 680	31 379	31 391	31 401	30 992	30 998	31 004
Unqualified (or unknown)	30 680	31 315	31 327	31 337	30 949	30 955	30 961
Source of expenditure (\$m/year)							
Households	2 241	2 311	2 316	2 321	2 311	2 316	2 321
Australian Government	3 154	4 496	4 512	4 527	4 137	4 149	4 160
State & local govts.	885	1 635	1 642	1 649	1 479	1 484	1 489
Total	6 279	8 442	8 471	8 496	7 927	7 950	7 970

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Table E.16 (continued)

	Base case	Scenario 25	Scenario 26	Scenario 27	Scenario 28	Scenario 29	Scenario 30
Elasticity of ECEC demand		Inelastic	Moderate	Elastic	Inelastic	Moderate	Elastic
Elasticity of labour supply		Elastic	Elastic	Elastic	Inelastic	Inelastic	Inelastic
ECEC costs on labour supply		Effect	Effect	Effect	No effect	No effect	No effect
Cost-sharing arrangements		Govt.	Govt.	Govt.	Govt.	Govt.	Govt.
		<i>Per cent change</i>	<i>Per cent change</i>	<i>Per cent change</i>	<i>Per cent change</i>	<i>Per cent change</i>	<i>Per cent change</i>
<i>Service quality (Per cent of staff with cert. III or greater)</i>							
Preschools	70.5	99.9	41.8	99.9	41.8	99.9	41.8
Long day care	72.6	95.8	31.9	95.8	31.9	95.8	31.9
Family day care	54.1	99.3	83.3	99.3	83.3	99.3	83.3
Occasional & in-home care	41.2	41.2	—	41.2	—	41.2	—
<i>Number of children in:</i>							
Preschools	213 446	304 738	42.8	306 164	43.4	305 499	43.1
Long day care	543 539	544 116	0.1	545 847	0.4	545 040	0.3
Family day care	93 738	94 081	0.4	95 107	1.5	94 628	0.9
Occasional & in-home care	28 515	28 515	—	28 515	—	28 515	—
Total no. of children in care	879 238	971 450	43.2	975 633	45.3	973 682	44.4
<i>Average cost per child (\$/year)</i>							
Preschools	4 312	4 950	14.8	4 958	15.0	5 309	23.1
Long day care	8 469	10 046	18.6	10 054	18.7	10 477	23.7
Family day care	6 538	6 942	6.2	6 948	6.3	7 211	10.3
Occasional & in-home care	5 011	5 189	3.6	5 193	3.6	5 313	6.0
<i>Out-of-pocket cost of care (\$ per year)</i>							
Preschools	742	742	—	742	—	742	—
Long day care	3 237	3 237	—	3 237	—	3 237	—
Family day care	2 499	2 499	—	2 499	—	2 499	—
Occasional & in-home care	3 109	3 109	—	3 109	—	3 109	—

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**Table E.16** (continued)

	Base case	Scenario 25		Scenario 26		Scenario 27		Scenario 28		Scenario 29		Scenario 30	
		Low	High	Moderate	High	High	High	Low	Low	Moderate	Low	High	Low
Elasticity of ECEC demand													
Elasticity of labour supply													
ECEC costs on labour supply		Effect	Effect	Effect	Effect	Effect	Effect	No effect	No effect	No effect	No effect	No effect	No effect
Cost-sharing arrangements		Govt.	Govt.	Govt.	Govt.	Govt.	Govt.	Govt.	Govt.	Govt.	Govt.	Govt.	Govt.
<i>Number of workers by qualification by sector:</i>													
<i>Preschools</i>													
Degree	7 936	11 330	42.8	11 358	43.1	11 383	43.4	11 330	42.8	11 358	43.1	11 383	43.4
Diploma or adv. diploma	3 671	6 187	68.5	6 203	69.0	6 216	69.3	6 187	68.5	6 203	69.0	6 216	69.3
Certificate III or IV	3 640	14 294	292.7	14 330	293.7	14 361	294.5	14 294	292.7	14 330	293.7	14 361	294.5
Certificate I or II	612	16	-97.4	16	-97.4	16	-97.4	16	-97.4	16	-97.4	16	-97.4
Unqualified (or unknown)	5 782	15	-99.7	15	-99.7	15	-99.7	15	-99.7	15	-99.7	15	-99.7
Total	21 641	31 842	47.1	31 922	47.5	31 991	47.8	31 842	47.1	31 922	47.5	31 991	47.8
<i>Long day care</i>													
Degree	6 680	7 938	18.8	7 952	19.0	7 963	19.2	7 938	18.8	7 952	19.0	7 963	19.2
Diploma or adv. diploma	21 299	30 447	43.0	30 499	43.2	30 544	43.4	30 447	43.0	30 499	43.2	30 544	43.4
Certificate III or IV	21 262	40 022	88.2	40 090	88.6	40 150	88.8	40 022	88.2	40 090	88.6	40 150	88.8
Certificate I or II	1 339	207	-84.5	207	-84.5	207	-84.5	207	-84.5	207	-84.5	207	-84.5
Unqualified (or unknown)	17 217	3 229	-81.2	3 234	-81.2	3 239	-81.2	3 229	-81.2	3 234	-81.2	3 239	-81.2
Total	67 797	81 843	20.7	81 982	20.9	82 103	21.1	81 843	20.7	81 982	20.9	82 103	21.1
<i>Family day care</i>													
Degree	655	657	0.3	661	0.9	664	1.4	657	0.3	661	0.9	664	1.4
Diploma or adv. diploma	2 189	2 329	6.4	2 343	7.0	2 355	7.6	2 329	6.4	2 343	7.0	2 355	7.6
Certificate III or IV	4 488	10 504	134.0	10 565	135.4	10 619	136.6	10 504	134.0	10 565	135.4	10 619	136.6
Certificate I or II	430	15	-96.5	15	-96.5	15	-96.5	15	-96.5	15	-96.5	15	-96.5
Unqualified (or unknown)	5 778	84	-98.5	84	-98.5	85	-98.5	84	-98.5	84	-98.5	85	-98.5
Total	13 540	13 589	0.4	13 668	0.9	13 738	1.5	13 589	0.4	13 668	0.9	13 738	1.5

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Table E.16 (continued)

	Base case	Scenario 25	Scenario 26	Scenario 27	Scenario 28	Scenario 29	Scenario 30
Elasticity of ECEC demand		Low	Moderate	High	Low	Moderate	High
Elasticity of labour supply		High	High	High	Low	Low	Low
ECEC costs on labour supply		Effect	Effect	Effect	No effect	No effect	No effect
Cost-sharing arrangements		Govt.	Govt.	Govt.	Govt.	Govt.	Govt.
		Per cent change	Per cent change	Per cent change	Per cent change	Per cent change	Per cent change
Occasional & in-home care							
Degree	123	123	123	123	123	123	123
Diploma or adv. diploma	411	411	411	411	411	411	411
Certificate III or IV	1 239	1 239	1 239	1 239	1 239	1 239	1 239
Certificate I or II	196	196	196	196	196	196	196
Unqualified (or unknown)	2 336	2 336	2 336	2 336	2 336	2 336	2 336
Total	4 305	4 305	4 305	4 305	4 305	4 305	4 305
All ECEC							
Degree	15 394	20 048	20 094	20 133	20 048	20 094	20 133
Diploma or adv. diploma	27 570	39 374	39 456	39 526	39 374	39 456	39 526
Certificate III or IV	30 629	66 059	66 224	66 369	66 059	66 224	66 369
Certificate I or II	2 577	434	434	434	434	434	434
Unqualified (or unknown)	31 113	5 664	5 669	5 675	5 664	5 669	5 675
Total	107 283	131 579	131 877	132 137	131 579	131 877	132 137
Average wage/salary (\$/year)							
Degree	46 020	54 203	54 279	54 344	59 937	60 073	60 192
Diploma or adv. diploma	40 710	47 151	47 195	47 233	52 147	52 226	52 295
Certificate III or IV	31 978	32 789	32 802	32 814	33 730	33 766	33 798
Certificate I or II	30 680	30 880	30 884	30 888	30 753	30 760	30 766
Unqualified (or unknown)	30 680	30 848	30 852	30 856	30 689	30 695	30 701
Source of expenditure (\$m/year)							
Households	2 241	2 311	2 316	2 321	2 311	2 316	2 321
Australian Government	3 154	4 038	4 050	4 059	4 296	4 311	4 323
State & local govts.	885	1 426	1 431	1 435	1 541	1 548	1 553
Total	6 279	7 776	7 797	7 815	8 149	8 174	8 197

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Table E.16 (continued)

	Base case	Scenario 31	Scenario 32	Scenario 33	Scenario 34	Scenario 35	Scenario 36
Elasticity of ECEC demand		Low	Moderate	High	Low	Moderate	High
Elasticity of labour supply		Moderate	Moderate	Moderate	High	High	High
ECEC costs on labour supply		No effect	No effect	No effect	No effect	No effect	No effect
Cost-sharing arrangements		Govt.	Govt.	Govt.	Govt.	Govt.	Govt.
		<i>Per cent change</i>	<i>Per cent change</i>	<i>Per cent change</i>	<i>Per cent change</i>	<i>Per cent change</i>	<i>Per cent change</i>
<i>Service quality (Per cent of staff with cert. III or greater)</i>							
Preschools	70.5	99.9	99.9	99.9	99.9	99.9	99.9
Long day care	72.6	95.8	95.8	95.8	95.8	95.8	95.8
Family day care	54.1	99.3	99.3	99.3	99.3	99.3	99.3
Occasional & in-home care	41.2	41.2	41.2	41.2	41.2	41.2	41.2
<i>Number of children in:</i>							
Preschools	213 446	304 738	305 499	306 164	304 738	305 499	306 164
Long day care	543 539	544 116	545 040	545 847	544 116	545 040	545 847
Family day care	93 738	94 081	94 628	95 107	94 081	94 628	95 107
Occasional & in-home care	28 515	28 515	28 515	28 515	28 515	28 515	28 515
Total no. of children in care	879 238	971 450	973 682	975 633	971 450	973 682	975 633
<i>Average cost per child (\$/year)</i>							
Preschools	4 312	5 003	5 008	5 012	4 879	4 883	4 887
Long day care	8 469	10 089	10 094	10 099	9 970	9 974	9 977
Family day care	6 538	6 967	6 971	6 975	6 890	6 893	6 896
Occasional & in-home care	5 011	5 189	5 191	5 193	5 149	5 151	5 153
<i>Out-of-pocket cost of care (\$ per year)</i>							
Preschools	742	742	742	742	742	742	742
Long day care	3 237	3 237	3 237	3 237	3 237	3 237	3 237
Family day care	2 499	2 499	2 499	2 499	2 499	2 499	2 499
Occasional & in-home care	3 109	3 109	3 109	3 109	3 109	3 109	3 109

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**Table E.16** (continued)

	Base case	Scenario 31	Scenario 32	Scenario 33	Scenario 34	Scenario 35	Scenario 36
Elasticity of ECEC demand		Low	Moderate	High	Low	Moderate	High
Elasticity of labour supply		Moderate	Moderate	Moderate	High	High	High
ECEC costs on labour supply		No effect	No effect	No effect	No effect	No effect	No effect
Cost-sharing arrangements		Govt.	Govt.	Govt.	Govt.	Govt.	Govt.
<i>Number of workers by qualification by sector:</i>							
<i>Preschools</i>							
Degree	7 936	11 330	11 358	11 383	11 330	11 358	11 383
Diploma or adv. diploma	3 671	6 187	6 203	6 216	6 187	6 203	6 216
Certificate III or IV	3 640	14 294	14 330	14 361	14 294	14 330	14 361
Certificate I or II	612	16	16	16	16	16	16
Unqualified (or unknown)	5 782	15	15	15	15	15	15
Total	21 641	31 842	31 922	31 991	31 842	31 922	31 991
<i>Long day care</i>							
Degree	6 680	7 938	7 952	7 963	7 938	7 952	7 963
Diploma or adv. diploma	21 299	30 447	30 499	30 544	30 447	30 499	30 544
Certificate III or IV	21 262	40 022	40 090	40 150	40 022	40 090	40 150
Certificate I or II	1 339	207	207	207	207	207	207
Unqualified (or unknown)	17 217	3 229	3 234	3 239	3 229	3 234	3 239
Total	67 797	81 843	81 982	82 103	81 843	81 982	82 103
<i>Family day care</i>							
Degree	655	657	661	664	657	661	664
Diploma or adv. diploma	2 189	2 329	2 343	2 355	2 329	2 343	2 355
Certificate III or IV	4 488	10 504	10 565	10 619	10 504	10 565	10 619
Certificate I or II	430	15	15	15	15	15	15
Unqualified (or unknown)	5 778	84	84	85	84	84	85
Total	13 540	13 589	13 668	13 738	13 589	13 668	13 738
		0.4	0.9	1.5	0.4	0.9	1.5
		Per cent change	Per cent change	Per cent change	Per cent change	Per cent change	Per cent change

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Table E.16 (continued)

	Base case	Scenario 31		Scenario 32		Scenario 33		Scenario 34		Scenario 35		Scenario 36	
		Low		Moderate		High		Low		Moderate		High	
		Moderate		Moderate		Moderate		High		High		High	
ECEC costs on labour supply		No effect		No effect		No effect		No effect		No effect		No effect	
Cost-sharing arrangements		Govt.		Govt.		Govt.		Govt.		Govt.		Govt.	
		Per cent change		Per cent change		Per cent change		Per cent change		Per cent change		Per cent change	
Occasional & in-home care													
Degree	123	123		123		123		123		123		123	
Diploma or adv. diploma	411	411		411		411		411		411		411	
Certificate III or IV	1 239	1 239		1 239		1 239		1 239		1 239		1 239	
Certificate I or II	196	196		196		196		196		196		196	
Unqualified (or unknown)	2 336	2 336		2 336		2 336		2 336		2 336		2 336	
Total	4 305	4 305		4 305		4 305		4 305		4 305		4 305	
All ECEC													
Degree	15 394	20 048		20 094		20 133		20 048		20 094		20 133	
Diploma or adv. diploma	27 570	39 374		39 456		39 526		39 374		39 456		39 526	
Certificate III or IV	30 629	66 059		66 224		66 369		66 059		66 224		66 369	
Certificate I or II	2 577	434		434		434		434		434		434	
Unqualified (or unknown)	31 113	5 664		5 669		5 675		5 664		5 669		5 675	
Total	107 283	131 579		131 877		132 137		131 579		131 877		132 137	
Average wage/salary (\$/year)													
Degree	46 020	55 298		55 389		55 468		52 978		53 046		53 106	
Diploma or adv. diploma	40 710	47 572		47 619		47 661		46 428		46 468		46 502	
Certificate III or IV	31 978	32 854		32 872		32 888		32 562		32 574		32 585	
Certificate I or II	30 680	30 729		30 733		30 737		30 717		30 720		30 723	
Unqualified (or unknown)	30 680	30 686		30 690		30 694		30 684		30 688		30 691	
Source of expenditure (\$m/year)													
Households	2 241	2 311		2 316		2 321		2 311		2 316		2 321	
Australian Government	3 154	4 064		4 075		4 086		3 992		4 003		4 012	
State & local govts.	885	1 442		1 448		1 452		1 403		1 408		1 412	
Total	6 279	7 818		7 839		7 859		7 707		7 727		7 745	

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## F Institutional arrangements in the early childhood development sector

All levels of government play a major role in the early childhood development (ECD) sector. The institutional arrangements that affect the sector are shaped by the policy settings and the services provided by the Australian, state, territory and local governments. The sector is subject to a multitude of policies, which differ substantially between different types of services and across jurisdictions. The Australian Government contributes most of the funding for early childhood education and care (ECEC) services, and state and territory governments are responsible for licensing and enforcement. Local Governments (and the ACT government in the case of the ACT) directly provide some services. Recent changes aim to establish a nationally consistent policy framework for ECEC. Within child health and family support services, the role of the Australian Government focuses on funding and policy setting, while state and local governments both fund and deliver services.

This appendix describes the key policies affecting the ECD sector and the roles each level of government performs, including licensing, monitoring, enforcement, funding and provision of services. The first part sets out the institutional arrangements for ECEC, beginning with the role of the Australian Government, and then surveying the states and territories (describing the roles of both the state and local governments). Similar discussions follow for child health and family support.

### F.1 Early childhood education and care: the role of the Australian Government

#### Licensing

The Australian Government does not regulate or licence ECEC services. To be eligible for funding from the Australian Government, however, some services must be registered or approved by the Department of Education, Employment and Workplace Relations (DEEWR). These services include long day care (LDC), preschools, family day care (FDC), outside school hours care (OSHC) and occasional care (OC). Public preschools receive funding from the Australian

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Government, as part of the National Partnership Agreement on Early Childhood Education (NPA ECE), but are not required to be registered or approved by DEEWR (ACT Government, sub. DR338).

Approved providers are licensed by state or territory authorities and are accredited by the National Childcare Accreditation Council (NCAC). LDC and FDC services must also operate for at least 8 hours a day on normal working days for 48 weeks a year. Registered providers are not subject to these requirements (box F.1).

#### **Box F.1      ECEC terminology**

##### **Approved ECEC services**

ECEC services can apply to the Department of Education, Employment and Workplace Relations (DEEWR) to be approved by the Australian Government. An approved service is required to:

- have any required licence to operate from the relevant state or territory licensing authority
- operate for at least 8 hours a day on normal working days for 48 weeks of the year, if they are a long day care (LDC) or a family day care (FDC) service. Separate requirements for operating hours are in place for outside school hours care (OSHC) and occasional care (OC).

To be approved by the Australian Government, LDC, FDC and OSHC services must also be accredited (or registered for accreditation) with the National Childcare Accreditation Council (NCAC). Accreditation requires a service to complete a quality assurance process. Participation is optional, though the vast majority of mainstream services are participating in the quality assurance process via NCAC.

##### **Government assistance**

Parents who use an approved service are eligible for the Child Care Benefit (CCB), which is often paid to services on behalf of parents to reduce fees. They can also receive the Child Care Rebate (CCR) for out-of-pocket costs if parents meet the 'work, training, study' test.

##### **Registered child care**

Registered child care is provided by individuals, such as preschool teachers, nannies, grandparents, other relatives or friends, who directly provide care for children and are registered as carers with the Australian Government's Family Assistance Office. A person can apply to become a registered carer if they have a tax file number, are aged 18 years or over, or have a qualification to provide nanny, childcare or home-based help services.

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**Box F.1** (continued)

Preschools, some OSHC services and some OC centres can provide registered care if the individual carers or teachers are registered with the Family Assistance Office. The preschool itself, as well as staff who do not directly provide care for children, cannot be registered carers.

**Mainstream services**

Mainstream services are services approved to administer the CCB, including LDC, FDC, in-home care, OC and OSHC.

**Non-mainstream services**

Non-mainstream services provide ECEC in areas where mainstream services are not available, and include Indigenous-focused services. Services are primarily operated by not-for-profit organisations in rural, remote and Indigenous communities, and are usually not approved to administer the CCB. Services include flexible childcare services, mobile childcare services, Multifunctional Aboriginal Children's Services (MACS), Indigenous playgroups and crèches.

*Source:* DEEWR (2010l).

Families using registered care may be eligible for the Child Care Benefit (CCB) if parents meet the 'work, training, study' test, but not the Child Care Rebate (CCR).

The structure of ECEC licensing and quality accreditation will change substantially from 2012, following the introduction of the National Quality Agenda for Early Childhood Education and Care (NQA). Approved by the Council of Australian Governments (COAG) in 2009, the NQA introduces a nationally consistent set of quality standards (the National Quality standard, or NQS) for ECEC. The implementation of the NQS will be overseen by the Australian Children's Education and Care Quality Authority (ACECQA). NCAC will be wound down by 31 December 2011 (COAG 2009j).

The NQS will align state and territory licensing arrangements from 1 January 2012, and will apply to LDC, FDC, OSHC and preschools. It sets out requirements for staff-to-child ratios as well as staff qualifications (table F.1).

**Table F.1 Staff-to-child ratios**  
Australian Government

<i>Service type</i>	<i>Staff-to-child ratio</i>	<i>Timeframe</i>	<i>Qualified staff-to-child ratio<sup>a</sup></i>	<i>Timeframe</i>
LDC and preschools <sup>c</sup>	0–2 year-old, 1:4	From 1 January 2012	<ul style="list-style-type: none"> <li>• 50 per cent of staff must hold (or be working towards) a diploma-level qualification (or above)</li> <li>• All other staff must hold (or be working towards) a certificate III qualification</li> <li>• All services must employ an early childhood teacher<sup>a,b</sup></li> </ul>	From 1 January 2014
	2–3 year-old, 1:5 > 3 year-old, 1:11	From 1 January 2016	As above	From 1 January 2014
FDC	1:7 (no more than 4 children < 6-year-old)	From 1 January 2014	<ul style="list-style-type: none"> <li>• FDC educators must hold (or be working towards) a certificate III qualification</li> <li>• Coordinators must have a diploma-level qualification</li> </ul>	From 1 January 2014
OSHC	.. <sup>c</sup>		.. <sup>c</sup>	
OC <sup>d</sup>	..		..	

<sup>a</sup> Services catering for fewer than 25 children should have access to a teacher for 20 per cent of the operating hours. Where services cater for 25–59 children, an early childhood teacher must be in attendance for at least 6 hours a day, or 60 per cent of operating hours (if less than 50 hours per week). Larger services will require a full-time teacher, and a second teacher will need to be in attendance at least half time when services are provided to over 60 children. <sup>b</sup> The current requirements for a second teacher in New South Wales for centres with more than 40 children, and an additional teacher for every 20 children thereafter, will be retained. <sup>c</sup> No changes planned at present. Jurisdictions' current OSHC staff-to-child ratios and staff qualifications will apply under the NQS. <sup>d</sup> Not included in the NQS. .. Not applicable.

Sources: COAG (2009h, 2010).

Further changes in the ECEC sector are anticipated as a result of the NPA ECE, which was agreed in 2008 (COAG 2009d). The NPA ECE aims to deliver universal access to 15 hours of quality early childhood education to all children in the year

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before formal schooling by 2013. The Australian Government does not regulate the preschool curriculum or the setting in which it is delivered. However, under the NPA ECE, it will require that preschool education programs are delivered by a 4-year, university-trained early childhood teacher (DEEWR ndq).

## **Monitoring and enforcement**

ECEC services accredited by NCAC are monitored through scheduled visits and spot checks to ensure that the required quality standards are maintained. NCAC's accreditation decisions are published, though the reasons behind the decision are not made public. NCAC will cease to operate on 31 December 2011. From 1 January 2012, services will be assessed by state regulators on a number of quality areas under the NQS, and they will be required to display information about their quality rankings (COAG 2009j).

The quality assurance process administered by NCAC is voluntary, though participation is a condition for continued approval by DEEWR. NCAC carries out validation visits and spot checks at accredited services. It can withdraw the accreditation of a service that does not comply with quality standards.

Services that fail to make satisfactory progress through the quality assurance systems are reported to DEEWR by NCAC. DEEWR works with these services to assist them to reach the required standard for accreditation.

## **Funding and provision**

### *Childcare funding and provision*

The Australian Government has primary responsibility for funding child care, though it does not engage in the provision of services. In 2009-10, it was responsible for 81 per cent (or \$3.8 billion) of total government expenditure on children's services (SCRGSP 2011a).

The Government supports ECEC through direct funding — payments to parents, guardians and providers — and indirect funding — payments to institutions and programs that support the ECEC sector.

### *Payments to parents and guardians*

The CCB and the CCR are by far the Australian Government's largest funding programs within the ECEC sector. In 2010-11, CCB expenditure reached

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\$2.1 billion. There were 14 000 ECEC services approved to administer the CCB to over 800 000 eligible families. Expenditure on the CCR amounted to \$1.5 billion (DEEWR 2011e).

CCB is a means-tested payment based on a family's income. The rate of CCB also varies on the number of children in care and the type of care used. Families using approved child care who are on the lowest incomes receive the highest rate of CCB. Entitlement cuts out where income is above pre-set levels. In 2010-11, 80 per cent of families with children in care received the CCB and 33 per cent of families received the full CCB subsidy (DEEWR 2011e).

Families who use approved child care can receive CCB for up to 24 hours per child per week, regardless of their work status. To receive more than 24 hours per week, families need to meet the 'work, training, study test' or have an exemption from the test.

Most families using approved child care choose to have their CCB paid directly to their ECEC service, which reduces the fees they have to pay to the service. Others choose to receive it as a lump sum at the end of the year.

The CCR is not means-tested. This payment provides additional assistance for working families who use approved ECEC by covering half of all their out-of-pocket approved childcare costs, up to a maximum of \$7500 per child per year. This limit is subject to the passage of legislation.

The CCR is paid directly to families either quarterly or as a lump sum at the end of the year. From July 2011, the Government will give parents the option to receive their CCR on a weekly or fortnightly basis, paid either to their ECEC service as a fee reduction, or directly to their bank accounts (DEEWR ndp).

Additional subsidies are available in specific circumstances.

- The Special Child Care Benefit (SCCB) covers all ECEC costs when a child is at risk of serious abuse or neglect, or the family is in exceptional hardship (DEEWR ndt).
- The Grandparents Child Care Benefit (GCCB) also covers the full costs of ECEC. It is paid to grandparents who are the primary carers for their grandchildren and who receive an income support payment (DEEWR nds).
- The Jobs, Education and Training Child Care Fee Assistance (JETCCFA) provides eligible parents with extra financial assistance to help with the cost of approved child care while undertaking activities such as job search, work, study or rehabilitation to help them enter or re-enter the workforce (DEEWR 2011e).

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- The Adult Migrant English Program (AMEP) assists eligible permanent migrants and humanitarian entrants while they attend English courses, by paying the care costs for their children (DEEWR ndo).

#### *Payments to childcare services*

In 2011-12, the Australian Government will provide around \$350 million through the Child Care Services Support Program. This program contains a number of support mechanisms including payments to support the establishment and ongoing sustainability of services in areas where the market may otherwise fail to provide ECEC. The program emphasises assistance to services in regional and remote locations and areas of socioeconomic disadvantage.

New ECEC services may be eligible to access both establishment and set up assistance, while existing services may be eligible for ongoing sustainability assistance and other operational funding. In 2010-11, 250 ECEC services received establishment assistance, while 1200 services received sustainability assistance (DEEWR 2011e).

Non-mainstream services (box F.1) receive other types of funding. The Australian Government covers the bulk of their operating costs through budget-based funding or non-formula funding. In 2010-11, there were over 340 budget-based funded services (DEEWR 2011e). The Government will provide \$59.4 million over four years to improve the existing infrastructure of non-mainstream LDC centres and increase the qualifications of staff (Treasury 2010).

Further arrangements are in place for centres caring for children with additional needs and Indigenous children (box F.2). Of the 38 Early Learning and Care Centres that are being built by the Government across Australia, six centres will cater specifically for children with autism (DEEWR ndr). The National Partnership Agreement on Indigenous Early Childhood Development provides funding for the establishment of 38 integrated Child and Family Centres, which will provide care, education and other services to Indigenous children in disadvantaged communities (COAG 2009b).

The Australian Government also funds the Inclusion and Professional Support Program, which assists approved ECEC services to develop staff skills and improve access and inclusion of children with additional needs (chapter 8). As part of this program, Inclusion Support Agencies assist ECEC providers in catering for children with additional needs, including providing access to specialist equipment and additional funding. An Inclusion Support Subsidy may be paid to LDC centres to assist with the costs of employing additional staff to support children with high

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needs, as well as FDC and in-home care educators who care for children with high ongoing needs. ECEC services may also be able to access further support, for example through the Bicultural Support Program, which provides additional resources such as a bicultural worker, to assist ECEC services to include refugee or Indigenous children and those from culturally and linguistically diverse (CALD) backgrounds (DEEWR 2009b).

**Box F.2      Integrated services for children with additional needs**

The Australian Government committed funding of \$114.5 million in its 2008-09 budget to build 38 Early Learning and Care Centres (ELCCs). The ELCCs will provide integrated early learning and care in a long day care setting, with a preference for centres being located on school grounds. New South Wales and Victoria will have 11 ELCCs each, Queensland will have six, Western Australia will have five, the Northern Territory and Tasmania will each have two, and South Australia will have one (DEEWR ndr).

The Government has allocated an average of \$1.7 million in capital funding for each location. In cases where the state or territory government chooses to manage the establishment of the centres, it will receive this funding (for example, Tasmania's two ELCCs are managed as part of the State Government's Child and Family Centres project). In other cases, the Government chose appropriate entities in a competitive application process.

The Australian Government will not retain ownership of the centres or provide ongoing funding. The centres will be owned by either state, territory or local governments.

Another 38 Child and Family Centres will be established as part of the Indigenous Early Childhood Development National Partnership Agreement, which was signed in 2009. These centres will offer services tailored for indigenous children and their families, including child care, early learning, parent and family support programs, though they will be open to all families.

There will be nine centres in New South Wales, 10 in Queensland, five each in Western Australia and the Northern Territory, four in South Australia, two in Victoria and Tasmania, and one in the ACT. The total budget allocation for these centres is \$292.6 million over six years DEEWR (ndi).

*Indirect funding*

The Australian Government provides indirect support to the ECEC sector by funding various programs that enhance the skills of its workforce, encourage additional workers to enter the sector, and ensure quality standards are maintained.

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NCAC is funded by the Government to administer child care quality assurance for LDC, FDC and OSHC. The Accreditation Decision Review Committee works alongside NCAC and reviews any decisions that operators appeal.

Staff training and development contributes to quality assurance. The Professional Support Program, under the Inclusion and Professional Support Program, provides access to professional development and support through a Professional Support Coordinator (PSC) in each state and territory, including for Indigenous ECEC services through Indigenous Professional Support Units (IPSU). The coordinator's role is to ensure ECEC staff have access to high-quality, specific professional development, as well as providing support in the transition to the Early Years Learning Framework.

### *Preschool funding and provision*

The Australian Government's role in early childhood education is primarily focused on funding rather than provision, though its funding role has evolved in the past few years. In 2006-07, the states and territories contributed 99 per cent of all funds for preschool programs across Australia (APH 2008). Until recently, Australian Government funding focused mainly on preschool access for Indigenous children, through programs such as the Supplementary Recurrent Assistance Program (DEEWR 2010m). This supplementary funding was provided on a per person and project basis to 1469 preschools, and cost an estimated \$11.9 million in 2010 (SCRGSP 2011c).

Under the NPA ECE, the Australian, state and territory governments are working to deliver universal access to 15 hours of quality early childhood education to all children in the year before formal schooling by 2013. The policy aims to raise the participation rates in preschool education from 73 per cent in 2009 to 95 per cent in 2013. To achieve this goal, the Australian Government is providing \$970 million to the states and territories over five years to support the implementation of the universal access initiative. Funding ranges from \$13.2 million to the ACT to \$278.6 million to New South Wales (DEEWR ndl).

All states and territories signed bilateral agreements with the Australian Government, outlining the actions they will take to achieve universal access. Preschool education is not only provided in a school setting or in a stand-alone facility. Programs can also be delivered within LDC centres, although this differs across states and territories. LDC centres that deliver preschool education benefit from CCB and CCR funding. Stand-alone preschools that operate for longer hours can also apply to administer the CCB (COAG 2009h).

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## Workforce initiatives

In addition to the Professional Support Program, which provides ongoing support to ECEC staff, the Australian Government has put in place a number of initiatives to increase the numbers of ECEC staff and enhance their qualifications.

- Over five years, \$181.3 million has been allocated to initiatives that will train and retain the early childhood education workforce. This includes fee waivers for TAFE courses, additional university places for early childhood teachers, and special funding for teachers working in rural and remote areas (DEEWR ndl).
- The Productivity Places Program (PPP) assists job seekers and existing workers to gain vocational qualifications. According to DEEWR, '[b]etween April 2008 and June 2009, [the] Certificate III in Children's Services was the top qualification for job seekers under the PPP' (sub. 86, p. 28).
- Workers from rural and remote regions can receive funding to access recognition of prior learning assessments to attain ECEC qualifications (DEEWR 2011e).
- Additional support has been offered to Indigenous ECEC staff (DEEWR, sub. 86).

## F.2 Early childhood education and care in New South Wales: the role of the State Government

New South Wales has the largest aggregate expenditure on children's services of all state and territory governments, totalling \$217.2 million in 2009-10. On a per child basis, New South Wales spends \$185 annually, compared with the national average of \$249 (SCRGSP 2011a).

Most of the children's services budget is spent on preschool services. There are 1070 stand-alone preschools operating in New South Wales, mostly community-managed, and they achieve an enrolment rate of 81 per cent in the year before formal schooling (chapter 5).

The private sector dominates the childcare sector, operating 68 per cent of the 2738 services in the State. The number of services has been increasing in recent years, driven by a substantial rise in the number of LDC centres, which offset a decline in FDC (SCRGSP 2011a).

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## Licensing

The New South Wales Community Services agency, within the Department of Human Services, licenses ECEC services under the *Children and Young Persons (Care and Protection) Act 1998* and the Children's Services Regulation 2004. The regulations cover centre-based children's services, FDC, home-based children's services, and mobile children's services. The New South Wales Government has recently announced that responsibility for all ECEC regulation will be transferred to the Department of Education (DET NSW ndc).

The *Children and Young Persons (Care and Protection) Act 1998* defines a children's service as a service that provides education or care for 6-year-old children and under who do not ordinarily attend school. Regulations cover the premises where the service operates, as well as the staff employed. Staff are required to be fit and proper to care for children (including being over 18 years of age), and the licence holder must ensure staff receive appropriate training. Services are required to adhere to the Act's staff-to-child ratios, and employ appropriate numbers of staff who are trained to work with infants (table F.2).

From 2007, OSHC providers need to register with Community Services. However, there are no operational requirements imposed as part of this registration (Community Services NSW ndc).

In July 2008, Community Services began licensing school-based preschools and children's services.<sup>1</sup> Preschools that were operating at the time were only required to demonstrate that their facilities complied with the Act's requirements. New services are required to comply with all aspects of the legislation, including staffing requirements (Community Services NSW ndd).

From January 2011, changes to the Act are expected to streamline the licensing process. Under the old process, licences were issued for specific services, specifying their authorised supervisor. Under the new system, licence holders will no longer have to vary their licences when they engage new authorised supervisors, and licences can now be issued without fixed terms. In addition, the staff-to-child ratios for under 2-year-old children will increase from 1:5 to 1:4<sup>2</sup>, and group sizes will increase. Other parts of the Act will continue to apply until the NQS is implemented in 2012 (Community Services NSW ndf).

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<sup>1</sup> Schools that offer supported playgroups or 'formal education' in the preschool year are exempt from licensing requirements (Community Services ndd).

<sup>2</sup> The increase in the ratios is expected to cost \$23.5 million in additional staff costs, and lead to a reduction in childcare places on offer. Fees are estimated to increase by \$1.34 per day for children attending LDC centres (Allen Consulting Group 2010).

**Table F.2 Staff-to-child ratios**  
New South Wales

<i>Service type</i>	<i>Staff-to-child ratio</i>	<i>Timeframe<sup>a</sup></i>	<i>Qualified staff-to-child ratio<sup>b</sup></i>	<i>Timeframe</i>
LDC	0–2 year-old, 1:4 2–3 year-old, 1:8 3–6 year-old, 1:10	Ongoing Until 1 January 2016 Ongoing	1:30–40 children 2:40–60 children 3:60–80 children 4:80+ children	Until 1 January 2014
	<ul style="list-style-type: none"> <li>Services can only accept up to 40 0–2 year-olds, in groups that cannot exceed 12 children</li> <li>Other limits on group sizes have been removed in January 2011</li> </ul>		<ul style="list-style-type: none"> <li>Staff must hold a 3-year university degree in early childhood education</li> <li>At least one staff member working with 0–2 year-old children must hold a specific qualification (such as a Diploma in Children's Services)</li> </ul>	
FDC	0–12 year-old, 1:7 (no more than five 0–6 year-olds)	Until 1 January 2014	..	
OSHC <sup>c</sup>	..		..	
OC	0–2 year-old, 1:5 2–3 year-old, 1:8 3–6 year-old, 1:10		<ul style="list-style-type: none"> <li>One qualified staff member, who holds a Diploma of Child Studies or Children's Services</li> </ul>	

<sup>a</sup> State regulations will continue to apply until NQS requirements come into force. Where state regulations require higher staff-to-child ratios or qualifications than the NQS, these will continue to apply. <sup>b</sup> Qualified staff members are required to hold a degree or diploma in early childhood education. <sup>c</sup> OSHC services are only required to register and are not regulated. .. Not applicable.

Source: COAG (2009h).

## Monitoring

The *Children and Young Persons (Care and Protection) Act 1998* and the *Children's Services Regulation 2004* contain provisions for monitoring compliance with the regulations, through visits conducted by children's services officers. Inspections are conducted annually, and 75 per cent of visits are scheduled in advance (SCRGSP 2011a). In 2008, the (then) New South Wales Department of

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Community Services adopted a strategic compliance monitoring and enforcement framework, which includes targeted campaigns investigating areas of non-compliance (Community Services NSW 2008).

## **Enforcement**

Community Services can take enforcement actions against children's services that breach the conditions of their licence. Licences can be suspended or revoked, and licensees can be prosecuted. The new regulations that came into force in January 2011 will allow Community Services to issue compliance and infringement notices and expand the powers of children's services officers (Community Services NSW n.d.). Detailed information about prosecutions and other enforcement activities are provided via the Community Services website (Community Services NSW n.d.).

## **Funding**

The State Government recently announced a review of early childhood education funding. The review will consider the provision of assistance to children from low income households and families in disadvantaged communities (NSW DET 2011).

### *Funding for childcare services*

In 2009-10, the State Government spent \$40.3 million on funding for 1500 childcare services<sup>3</sup>, including \$15.3 million for LDC services and \$11.5 million to facilitate access for children with additional needs. This funding contributes to the provision of 45 300 childcare places (of a total of 135 200 places licensed by the State Government) across LDC, FDC and OC (Community Services NSW 2010a).

### *Funding for preschools*

About \$131.6 million was spent by the State Government on the provision of preschool services in 2009-10 (Community Services NSW 2010a). The New South Wales Government supports community-managed preschools, as well as providing services directly through public schools (see provision, below).

The funding level for each community-run preschool depends on its location, the number of children attending and their background. It can range from \$1250 to over

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<sup>3</sup> This represents over half the services operating in the State.

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\$4000 per child (Community Services NSW nda). In addition, the Department of Education and Training (DET) spends about \$29 million on the provision of preschool services at public schools (NSW Government 2010a).

In 2006, the State Government introduced the Preschool Investment & Reform Plan, which provides over \$77 million in funding to preschools (APH 2008). As part of this program, from 2009, \$29.8 million is allocated per year to increasing the number of places provided and achieving universal access to 15 hours of preschool in line with COAG policy (Community Services NSW nda).

### *Other funding*

Community Services funds the Supporting Children with Additional Needs (SCAN) program. In 2010-11, the department expected to spend \$12.8 million to support the inclusion of children with additional needs in ECEC services.<sup>4</sup> Funding is distributed to service providers via eight community organisations across the state. Funding can be used to employ additional staff, train existing staff or purchase specific equipment (Community Services NSW ndg).

The State Government also provides funding to other organisations related to children's services, such as toy libraries, sector agencies and peak bodies (Community Services NSW ndc).

## **Provision**

The State Government is not involved in the direct provision of childcare services. Through DET, it provides preschool services in 100 public schools across the state. This represents 9 per cent of all preschools in New South Wales (SCRGSP 2011a).

The department funds 11 preschools specifically for Indigenous children. It also offers a preschool program for children in remote areas through distance education, which is delivered through web-based programs, as well as mail and telephone contact between teachers and children. Children with disabilities are offered specific programs through 50 early intervention support classes (DET NSW ndd).

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<sup>4</sup> Eligible services are those that are not approved to administer the CCB, and can include licensed or registered preschools, OC, vacation care and multipurpose services (Community Services NSW ndg).

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Preschools accept 4-year-old children, and are open during school hours.<sup>5</sup> Children can attend for two, three or five days each week (DET NSW ndd). There is no requirement for a certain number of hours to be provided; however, according to DET New South Wales, children in government preschools attend for 17 hours a week on average — the highest of all jurisdictions (APH 2008).

## **Workforce initiatives**

The New South Wales Government has some limited ECEC workforce strategies in place. LDC services can apply for waivers if they cannot employ suitably qualified teachers as required by legislation (chapter 3).

## **F.3 Early childhood education and care in New South Wales: The role of local government**

### **Licensing**

Local councils approve development and building applications for children's services. Operators that wish to open a new service are required to submit their plans both to their local council and to the State Government, and receive approval from both in order to open a service (DoCS NSW nd). Some councils have policy plans that set guidelines for the provision of ECEC services in their area (LGSA 2007).

### **Monitoring and enforcement**

Local governments do not have specific monitoring and enforcement powers that affect ECEC services. Centres that have onsite cooking facilities may be inspected under public health regulations. Some councils coordinate FDC schemes, and as part of their responsibility, monitor the services delivered by FDC educators (see provision below).

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5 Schools are normally open from 9am to 3pm, and each preschool session can last up to 6 hours. This may pose issues to the sector when trying to offer 15 hours of preschool per week under the COAG universal access policies, as it will require children to attend for a minimum of 2.5 days per week (NSW Government 2010c).

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## Funding and provision

Local governments play a large role in the provision of children's services in New South Wales. In 2004-05 (the latest figures available), councils ran 132 LDC centres, 50 FDC schemes, and 15 OC services (LGSA 2006). These accounted for half of all FDC schemes and about 7 per cent of LDC centres (SCRGSP 2010). Some councils also operate preschools.

Councils have been experiencing funding pressures and difficulties finding staff, but continue to provide a large number of services. Some councils, such as Blacktown and Canada Bay, operate more than 20 LDC services, making them substantial operators in the sector.

In addition to direct provision of ECEC services, councils work with the Australian and State Government to deliver a wide variety of children's programs, such as transition to school, toy libraries and playgroups. Councils also contribute to staff training and recognition of prior learning (LGSA 2007).

## F.4 Early childhood education and care in Victoria: the role of the State Government

The *Children's Services Act 1996* and the Children's Services Regulations 2009 provide the legislative framework for ECEC in Victoria. Children's services legislation in Victoria covers a broad range of areas and sets out when a service is required to obtain a licence, and the minimum standards with which services must comply (DEECD 2010j).

The Department of Education and Early Childhood Development (DEECD) is responsible for administering the Act and the regulations. DEECD is also responsible for the licensing and monitoring of ECEC services. In addition, the Department Secretary has certain powers under the legislation including the power to obtain information, documents and evidence in relation to a serious offence.

The Victorian Government is also responsible for other legislation relevant to ECEC services such as occupational health and safety and anti-discrimination legislation. In addition, the *Child Wellbeing and Safety Act 2005* provides that all children in Victoria should be able to enrol in a preschool program (preschool programs are referred to as kindergarten in Victoria).

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## Licensing

Services that are required to be licensed by the Victorian Government are those that provide care or education for four or more 13-year-old children and under, in the absence of their parents (or guardians) for a fee (or reward) or while parents use services provided by the proprietor.

Services that require licensing by DEECD are LDC, FDC, preschool, OSHC and OC services. Specific licence types are available as well as an integrated service licence.<sup>6</sup> In contrast, services that are not required to be licensed include care by relatives, private nannies and babysitters operating in the child's own home, services principally conducted to provide instruction in a particular activity or sport (for example, dance), and 6-year-old or older school students being cared for under informal arrangements.

Licensed children's services are required to fulfil a range of requirements including providing an educational or recreational program, and ensuring that child safety and supervisory requirements are met. Children's services are required to meet a range of minimum standards including training and qualifications of staff, staff-to-child ratios, and indoor and outdoor space. Victoria does not regulate group size (DEECD 2010j).

As part of the licensing process a person managing or controlling a children's service will be subject to a 'fit and proper assessment', and will be assessed at least once every five years. The assessments may be relied upon in relation to additional licence applications (DEECD nda).

In LDC services, regulations require a staff member occupying a qualified position to hold an approved two-year post-secondary early childhood qualification or teaching degree (COAG 2009h). Each staff member in a standard licensed service must hold a certificate III, equivalent or superior qualification, though existing services do not need to meet this requirement until 1 January 2014. Some staff members are exempt if they complete an approved professional development course by 1 January 2012 (DEECD nda). All FDC educators must hold a certificate III qualification by 1 January 2014 (DEECD 2010k).

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<sup>6</sup> An integrated service licence is for services that include two or more types of children's services. A short term or a FDC service cannot be operated as part of an integrated licence.

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## Monitoring and enforcement

Children's services are monitored by DEECD to ensure that licensees comply with the requirements of the legislation. Parents concerned about a licensed children's service are encouraged to contact the proprietor in the first instance. The proprietor must then notify DEECD within 48 hours. The proprietor must deal with and respond to the complaint as soon as practicable. They must also notify DEECD within 24 hours in the event of a serious incident.

A range of statutory actions may be taken by DEECD where licensees fail to meet their obligations. These include licence suspension, emergency action, removal of children, licence cancellation and prosecution. Certain non-compliance information about children's services that seriously contravene the Act and regulations may be published (DEECD 2010n). Non-compliance attracts penalties if the matter is prosecuted successfully in court.

## Recent regulatory reform and transitional arrangements

The *Children's Services Act 1996* and the Children's Services Regulations 2009 will continue to apply until 1 January 2012. Service types not included in the NQS will continue to be regulated under the Victorian system (DEECD 2009i).

Recent changes to Victorian legislation, including the introduction of transitional provisions, align Victorian State requirements and the NQS. In May 2009, amendments to the *Children's Services Act 1996* came into effect and the new regulations commenced. Key changes include increased staff-to-child ratios, employment of qualified teachers at all standard services, and minimum qualification standards. Also included for the first time is the regulation of FDC and OSHC services (DEECD 2009h).

Further minor changes were made to the regulations in September 2010, including changes to children's rooms and OSHC outdoor space requirements, and inclusion of staff under 18 years of age in staff-to-child ratios (DEECD 2011c).

Current Victorian staff-to-child ratios for LDC and preschools are broadly consistent with the NQS where they apply to up to 3-year-olds. From 1 January 2012, Victorian requirements will include a higher LDC and preschool staff-to-child ratio (1:4) for 2-year-olds than will be required under the NQS (1:5) from 1 January 2016.

Victorian transitional arrangements for LDC and preschools do not include all improved national standards. From 1 January 2016, the current Victorian

1:15 staff-to-child ratio will change to 1:11 for 3–5 year-olds under the NQS (table F.3).

Other NQS transitional arrangements are also in place, including support for children's services staff to upgrade or attain early childhood qualifications (DEECD 2010o).

The *Education and Care Services National Law Act 2010* was enacted in Victoria in October 2010. This key milestone facilitates the national applied law scheme for the NQF. Other jurisdictions will adopt the Act by reference (except Western Australia) (DEECD 2010j).

**Table F.3 Staff-to-child ratios**  
Victoria

<i>Service type</i>	<i>Staff-to-child ratio</i>	<i>Timeframe<sup>a</sup></i>	<i>Qualified staff-to-child ratio</i>	<i>Timeframe<sup>a</sup></i>
LDC and preschools <sup>b</sup>	0–3 year-old, 1:5	Until 1 January 2012 <sup>c</sup>	0–3 year-old, 1:15	Until 1 January 2012 <sup>c</sup>
	0–3 year-old, 1:4	From 1 January 2012	0–3 year-old, 1:12	From 1 January 2012
	> 3 year-old, 1:15	Until 1 January 2016 <sup>c</sup>	> 3 year-old, 1:30	Until 1 January 2016 <sup>c</sup>
FDC <sup>d</sup>	1:7 (no more than four children < 6 year-old)	Present	..	Present
OSHC	1:15		1:30	
OC	0–3 year-old, 1:5		Various	
	> 3 year-old, 1:15		Various	

<sup>a</sup> State regulations will continue to apply until NQS requirements come into force. Where state regulations require higher staff-to-child ratios or qualifications than the NQS, these will continue to apply. <sup>b</sup> Regulations require each staff member in standard licensed services to hold a certificate III, equivalent or superior qualification, though existing services do not need to meet this requirement until 1 January 2014. Some staff members are exempt if they complete a professional development course by 1 January 2012. <sup>c</sup> Applies to services that existed on 25 May 2009. <sup>d</sup> All FDC educators in Victoria must hold a certificate III qualification by 1 January 2014. .. Not applicable.

Source: COAG (2009h).

## Funding and provision

The Victorian Government provides more than \$190 million per annum for ECEC (SCRGSP 2011a). Program support includes improved access and participation in

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early childhood services, increased integration of ECEC services and support for children with additional needs.

Various organisations that support children's services providers also receive funding. Examples include the community services organisations insurance program, services to support CALD children (preschool programs only) and Kindergarten Parents Victoria (a peak body representing the interests of parents in quality early childhood education) to provide products and services to support early childhood education. The Victorian Government also funds the Municipal Association of Victoria (MAV), the peak body for local government, to undertake a number of early childhood services-related projects (DEECD 2010p).

### *Childcare funding and provision*

The Victorian Government provides funding for Indigenous community controlled ECEC services, which predominantly provide LDC services but also incorporate other forms of care and education. With the Australian Government, the Victorian Government funds other Indigenous children and family services under the National Partnership Agreement on Indigenous Early Childhood Development. Other funding by the Victorian Government includes short-term ECEC for parents and guardians to participate in education (DEECD 2010m).

The Victorian Government also provides some direct funding for ECEC services under its Early Childhood Capital Grants program. It provides contributory grants for new and existing integrated children's education and care services to local government, community based organisations and schools (DEECD 2010m). Other funding includes assistance for newly regulated OSHC and FDC services under its Minor Capital Grants arrangements, including to upgrade resources and equipment that support the delivery of quality educational or recreational programs (DEECD 2010l).

### *Preschool funding and provision*

Preschool funding is provided on the basis of the number of children enrolled. The Victorian Government Kindergarten Program funds preschool programs in stand-alone preschools and LDC settings that are planned and delivered by qualified early childhood teachers. The program also provides additional subsidies for Indigenous children and other eligible children (DEECD 2010m).

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In 2009-10, just over 66 000 children were enrolled in preschool services in Victoria in the year before full time schooling, representing an enrolment rate of nearly 100 per cent (SCRGSP 2011a).

The Victorian Government provides support for Indigenous children experiencing disadvantage by funding preschool programs for 3-year-olds. A number of initiatives support preschools to develop programs that embrace Indigenous culture and increase and enhance participation by Indigenous children (DEECD 2010m).

Under joint funding arrangements with the Australian Government, the Victorian Government funds inclusion support services to provide support and professional services to children with additional needs to enhance their access and participation in government funded preschool programs (DEECD 2010m).

Funding support is also available under the Kindergarten Cluster Management program (a model of management that groups individual services under a single employer), aimed at reducing management pressure on committees and supporting stable and professional management arrangements.

## **Workforce initiatives**

The Victorian Government has put in place a number of programs that aim to enhance the skills of the ECEC workforce and assist services to attract qualified staff to meet NQS requirements. These include support for early childhood educators to upgrade or attain an early childhood qualification (DEECD 2010o) and courses leading to an early childhood qualification for Indigenous Victorians (DEECD 2010m). The Victorian Government also provides support through professional development and online resources for early childhood professionals to deliver the Victorian Early Years Learning and Development Framework (DEECD 2009j), which complements the national framework.

## **F.5 Early childhood education and care in Victoria: the role of local government**

### **Licensing**

New ECEC services must obtain a planning permit from their local council. Planning officials look at the requirements for ECEC in the proposed area, as well as zoning and overlays. Other council requirements may include restrictions on centre hours of operation and the number of children attending (City of Casey nd)

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— some of these issues also fall under State Government licensing requirements, duplicating the regulatory burden for operators.

Council policy affecting the ECEC sector are guided by Municipal Early Years Plans, which address the development and coordination of ECEC, health and other services for 0–6 year-olds. Councils in Victoria have developed such plans, which differ based on area-specific demographics and demand and supply dynamics.

## **Monitoring and enforcement**

LDC centres are monitored by local councils to ensure they operate within the provisions of their planning permit. FDC educators that are part of schemes operated by local governments are also monitored to ensure they comply with the quality standards for FDC (see provision below).

Planning permits as well as other forms of support may be revoked for centres that do not comply with the conditions of their permit.

## **Funding and provision**

Victorian councils spend between 7 and 12 per cent of their budgets providing family and community services (DPCP 2009). Council spending includes direct provision of ECEC services, as well as subsidised rent for buildings and facilities, training and resourcing.

In 2009-10, 12 per cent of childcare services in the State were managed by local government — lower than the 14 per cent of services it managed in 2005-06, as private providers have become increasingly prominent (SCRGSP 2011a). According to MAV, local councils are the largest licensee of children's services in Victoria. In 2010, 76 per cent of councils reported they supported FDC services, 40 per cent supported OSHC services and 72 per cent supported LDC services (Municipal Association of Victoria, sub. 68). The majority of councils act as coordinators for FDC, and engage caregivers as contractors rather than employing them directly.

Of the 1217 stand-alone preschools operating in Victoria, 18 per cent (or 220 preschools) are managed by local governments (SCRGSP 2011a). These are managed as stand-alone facilities or as a cluster of preschools. The majority of preschools are community managed, and receive substantial assistance, usually in the form of rent assistance, from local government.

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Preschools also benefit from subsidised use of council facilities, as well as centralised enrolment systems maintained by councils, financial grants and training and resourcing to preschool committees and staff (Municipal Association of Victoria nda).

More than 1000 preschool services offer programs for 3-year-old children. These services are funded by parents, and they receive additional support from councils. In 2006, 66 per cent of councils supported 3-year-old preschool programs (Municipal Association of Victoria nda). Local councils also support the Preschool Field Officer Program, which facilitates the access and participation of children with additional needs in preschool. Officers provide advice and ongoing support to teachers and parents with regard to children with additional needs, assist in the developing of individual programs for children, and provide referrals to specialist services.

## **F.6 Early childhood education and care in Queensland: the role of the State Government**

The Queensland Government contributes to the ECD sector in a number of ways, including licensing and regulating early childhood services, establishing and funding preschool services, and funding a range of family support and child health programs (Queensland Government 2010b).

The health, development, education and wellbeing of young children in Queensland are supported by various government departments, including Communities, Education and Training and Queensland Health. Non-government organisations, local communities, volunteer care providers and the private sector also deliver services, sometimes in partnership with government departments (Queensland Department of Premier and Cabinet 2008).

The *Child Care Act 2002* and the Child Care Regulation 2003 provide the legislative framework for ECEC in Queensland. They cover a broad range of areas and set out the minimum standards services must comply with.

The Department of Education and Training (DET) is responsible for administering the legislation through the Office for Early Childhood Education and Care (Office for ECEC), including the licensing and monitoring of services. This was formerly the responsibility of the Department of Communities.

Building standards for centre-based services are incorporated under the Queensland Development Code. The requirement to meet these standards is linked to the *Child*

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*Care Act 2002* under section 28, which requires services to meet the *Building Act 1975*. The *Child Care Act 2002* makes reference to other legislation with which ECEC services must comply, such as that relating to food hygiene, workplace safety, and local authority provisions (Childcare Queensland nd).

## Licensing

The *Child Care Act 2002* (Qld) defines ‘child care’ as care of a child provided by someone other than a relative or guardian, at a place other than the child’s home, for reward and in the course of a service for regularly providing care of children. This includes preschool services, but not pre-preparatory programs. Only services that cater for seven or more children, in the absence of their parents (or guardians) for a fee (or reward), are required to be licensed (COAG 2009h).

Services that require licensing are either centre or home based and comprise preschool (known as kindergarten in Queensland), LDC, OC, limited-hours care, school-age care, and FDC services (COAG 2009h). In contrast, vacation care, adjunct care (for example, gyms where parents remain on site), nannies and babysitters are not required to be licensed (ECEC Queensland 2009a). Likewise, stand-alone services — defined as services that provide care for up to six children in a venue or a home — are not required to be licensed, but must meet certain standards, and are monitored on a complaints basis only (COAG 2009h).

In Queensland, requirements for licensed ECEC services are broad ranging and include activities and experiences, child health and safety, the number of staff and required qualifications, policies and procedures, facilities and space, equipment, and information for parents and carers (ECEC Queensland 2009a). As part of the licensing process the licensee must be suitable, and have a current prescribed notice issued by the Commission for Children and Young People and Child Guardian (Community Services Queensland 2009a).

## Monitoring and enforcement

Queensland ECEC services are licensed for a maximum of three years and the Office for ECEC undertakes annual monitoring visits and investigation of complaints (COAG 2009h). Under the legislation, the Office for ECEC has powers to enter and search ECEC services. The *Child Care Act 2002* provides a number of enforcement options, including the power to amend or suspend a licence, or to issue a prohibition notice (Community Services Queensland 2009c). The Queensland Commission for Children and Young People and Child Guardian requires a ‘blue card check’ to see if a person is eligible to work with children (CCYPCG 2010).

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Recent changes to the *Child Care Act 2002* provide parents, guardians and the wider community with access to information about non-compliant ECEC services. From 1 February 2010, DET Queensland is able to publish incidents of serious non-compliance (such as action taken to suspend a licence) or repeated non-compliance that expose a child to more than minor risks to safety and wellbeing (DET Queensland nda). Further changes ensure that ECEC services keep log books of their compliance history to provide parents with access to quality of care information at the local level (SCQL nd).

## **Preparedness for national reform**

### *Universal access to early childhood education*

In 2009, only about 30 per cent of preschool-aged children attended a preschool program in Queensland (ECEC Queensland 2010c). The Early Childhood Education and Indigenous Early Childhood Development National Partnership Agreements aim to deliver universal access to 15 hours of quality early childhood education to all children in the year before full-time school by 2013.

Several initiatives are being implemented to meet these aims, including 240 extra preschools to cater to the needs of 14 000 children not currently attending approved preschool programs (ECEC Queensland 2009d), funding LDC centres to provide approved preschool programs and scholarships for teachers to upgrade qualifications (DET Queensland 2010a).

In Queensland, approved preschool programs are generally delivered by registered teachers with early childhood qualifications or 4-year university qualified EC teachers. However, the Queensland Government is offering scholarships for 3-year university qualified early childhood teachers (or holders of 3-year advanced diploma qualifications) to upgrade their qualifications to meet national requirements of 4-year university qualified teachers (COAG 2009d).

### *Staff-to-child ratios and qualification requirements*

Current Queensland staff-to-child ratios for LDC and preschools are broadly consistent with the new national standards, and only small adjustments will be required to the staff-to-child ratio for children over 24 months. Although no increase to Queensland staff-to-child ratios will be required until 2016, special mixed age staff-to-child ratio provisions apply for some LDC services to ease the adjustment (ECEC Queensland 2009c, 2009d) (table F.4).

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From 1 January 2016, the current LDC and preschools 1:6 staff-to-child ratio for children aged 25–35 months will increase to 1:5, and the current 1:12 staff-to-child ratio for children from 36 months to school age will increase to 1:11 under the NQS (ECEC Queensland 2009c, 2009d).

A special mixed age staff-to-child ratio applies to Queensland services that were licensed prior to 1 January 2011. Services that can justify the continued use of a ratio of 1:5 for children 15–36 months will be eligible to maintain this ratio until 31 December 2017, after which time the NQS will apply. Other jurisdictions will be required to apply a ratio of 1:4 from 1 January 2012 (COAG 2010).

Current legislation requires staff in LDC and preschool services to hold or be working towards a minimum of a certificate III qualification. Directors must have (or be working towards) a relevant 3-year qualification or higher. Group leaders are required to have (or be working towards) a relevant diploma, a 2-year qualification in early childhood or children's services studies, or a qualification for a director (Community Services Queensland 2009d; ECEC Queensland 2009c, 2009d). This is similar to the NQS, which will require 50 per cent of staff to hold a diploma or above by 2014. A range of support exists to help staff gain formal qualifications required under the NQS (ECEC Queensland 2009e).

For FDC services, current Queensland staff-to-child ratios are similar to the NQS. The current ratio (1:7) does not include the FDC educator's own school age children, whereas under the NQS the FDC educator's own children including school age children will be counted in the ratio.

The certificate III minimum qualification requirement does not presently apply to FDC educators and will apply under the NQS from 2014. No change will be required to qualification levels of FDC coordinators (ECEC Queensland 2009e).

**Table F.4 Staff-to-child ratios**  
Queensland

<i>Service type</i>	<i>Staff-to-child ratio</i>	<i>Timeframe<sup>a</sup></i>	<i>Qualified staff-to-child ratio<sup>b</sup></i>	<i>Timeframe</i>
LDC and preschools	0–24 months, 1:4	Ongoing	<ul style="list-style-type: none"> <li>• All workers must hold a certificate III qualification</li> <li>• Group leaders must hold a diploma</li> <li>• Directors must have a 3-year vocational or tertiary qualification</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing requirement for 50 per cent of educators to hold, or be studying towards, a diploma level qualification or above (teacher may be included)</li> </ul>
	15–36 months, 1:5	Until 1 January 2018 <sup>c</sup>		
	25–35 months, 1:6	Until 1 January 2016		
	30–35 months, 1:8	Until 1 January 2016		
	> 35 months, 1:12	Until 1 January 2016	No legislative requirement for teachers	Until 1 January 2014
	Mixed age group, 1:7 <sup>d</sup>	Until 1 January 2012		
OC and limited hours care <sup>e</sup>	As above	Ongoing	As above	Ongoing
FDC <sup>f</sup>	1:7 (no more than 4 children under school age) <sup>g</sup>	Until 1 January 2014 <sup>h</sup>	..	Until 1 January 2014
OSHC <sup>i</sup>	1:15	Ongoing	<ul style="list-style-type: none"> <li>• At least one worker must hold a diploma</li> <li>• For every 30 children present, 1 worker with certificate III</li> </ul>	Ongoing

<sup>a</sup> State regulations will continue to apply until NQS requirements come into force. Where State regulations require higher staff-to-child ratios or qualifications than the NQS, these will continue to apply. <sup>b</sup> Minimum qualification requirement (or studying towards). <sup>c</sup> Special transitional provision applies to Queensland services licensed before 1 January 2011 which can justify the continued use of the 1:5 ratio for this age range. <sup>d</sup> Current ratio for mixed age groups in centre-based care is 1:7 with no more than two children aged birth to one year per staff member, up to a maximum of 4 in a group. If the centre is licensed for more than 30 children, the group may not include more than 10 children aged birth to 2 years. <sup>e</sup> Occasional care and limited hours care services are outside the scope of the NQS and therefore state regulatory standards for ratios and qualifications will apply. <sup>f</sup> Under the NQS, all FDC educators must hold a certificate III qualification by 1 January 2014. <sup>g</sup> Ratio includes the educator's own children under school age, but their own school-age children not included. <sup>h</sup> Under the NQS, from 1 January 2014, a staff-to-child ratio of 1:7 will apply, with a maximum of 4 children not yet attending school, and where the ratio includes the FDC educator's own children (below and above school age). <sup>i</sup> At least one staff member who holds, or is studying towards, a diploma level qualification in a relevant area must be present at all times care is being provided or, if care is provided for more than 7 hours and 15 minutes, for at least that period of time. .. Not applicable.

Source: COAG (2009h).

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Other recent changes to the *Education (Queensland College of Teachers) Act 2005* recognise certain teaching experiences in an early childhood setting for the purpose of renewing teacher registration. In addition, recent changes to the *Education (Queensland Studies Authority) Act 2002* enable the Queensland Studies Authority to develop, approve, purchase, revise and accredit preschool guidelines (DET Queensland nda).

## Funding and provision

In 2009-10, of the 1910 childcare services operating in Queensland, about 3 per cent were managed by government, slightly less than in the preceding years. In contrast, about 61 per cent were privately managed, having increased slightly over the same period, and 35 per cent were community managed (SCRGSP 2011a).<sup>7</sup>

Of the 376 preschools operating in Queensland in 2009-10, just 8 per cent were managed by government, around 0.5 per cent privately managed, and 90 per cent community managed (SCRGSP 2011a).

In 2009-10, the Queensland Government spent more than \$96 million on children's services, where expenditure was split approximately equally between childcare and preschool services. Total expenditure was higher than 2008-09 but significantly lower than 2006-07 and previous years, due to the replacement of Queensland's preschool program with a non-compulsory full-time preparatory year from 2007 (SCRGSP 2011a, Queensland Government Library Services 2010).

However, the Queensland Government is now investing significantly in the provision of preschool services for children in the year before formal schooling (details below). Current emphasis on the funding and provision of preschool services reflects commitment to provide 15 hours of quality early childhood education to all children in the year before full-time school, as specified under the NPA ECE (COAG 2009d).

Highlights of the ECEC programs planned include:

- community preschools — more than \$40 million in support for existing preschools under the Department of Education Community Kindergarten Assistance Scheme, which will be replaced by a new funding scheme (see below).
- new preschool services — more than \$300 million over five years is planned to provide up to 240 kindergarten services by 2014, to assist meeting the national

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<sup>7</sup> Excludes services for which management type was unknown.

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universal access standard, including 108 extra kindergarten services opening by the end of 2012.

- extending the capacity of integrated early childhood services, by investing in Early Years Centres in Browns Plains, Caboolture, Cairns and North Gold Coast, and their satellite and outreach services.
- improving access to ECEC for Aboriginal and Torres Strait Island families, through children and family centres being established in Cairns, Doomadgee, Ipswich, Logan, Mackay, Mareeba, Mornington Island, Mount Isa, Palm Island and Rockhampton, under a joint initiative with the Australian Government.
- expanded ECEC services — distribution of \$3.6 million to expand ECEC services in mining communities (DET Queensland 2010a).

Early learning and care centres (ELCCs) that include LDC and preschool programs will open in Cairns, Townsville and Gladstone in partnership with the Australian Government (box 15.4). In addition, by 2012, the Queensland Government will establish ten children and family centres to cater for the needs of Indigenous children from birth to eight years, funded by the Australian Government (box F.2; box 15.4) (DET Queensland 2010a).

A range of programs assist children with additional education needs to promote access and participation in ECD programs (DET Queensland ndb). Some playgroups also offer additional support for families such as Indigenous families and families from CALD groups (Community Services Queensland 2010).

### *New funding scheme*

The Queensland Kindergarten Funding Scheme, to be implemented from January 2010, provides funding to preschool services and, for the first time, LDC services delivering approved preschool programs. Under this scheme, services that provide approved preschool programs will receive a standard subsidy per child, and services may be eligible for remote, low SES, and/or health care card subsidies so that additional funding is directed to children and families in areas of greatest need.

The standard subsidy under the Queensland Kindergarten Funding Scheme is provided for each child participating in a kindergarten program, and differs according to the type of service. The standard subsidy for each child attending a kindergarten service is higher than for a child attending a LDC service, as families attending LDC services may access the Australian Government CCB and CCR (box F.1).

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Eligible services must comply with a range of criteria. For example, services must be licensed (see above) and provide a preschool program for children in the year before school for at least 15 hours per week, 40 weeks per year. Also, preschool programs must be delivered by either a 4-year qualified early childhood education teacher, or a Queensland College of Teachers (QCT) registered teacher with an approved early childhood qualification, or a QCT registered primary teacher who is studying towards an approved early childhood qualification.

Transitional arrangements are in place to assist existing community preschools adjust to the new scheme, although new kindergarten programs are required to meet the criteria from commencement of operation. Transitional arrangements include a guaranteed minimum level of funding, program duration, and adjustment to age of children, education program and teacher qualification requirements.

Under the new Queensland Kindergarten Funding Scheme, the employment conditions of staff delivering approved preschool programs are not prescribed (ECEC Queensland 2010b).

## **Workforce initiatives**

The Queensland Government has put in place a range of workforce strategies to assist staff to meet the qualification requirements included in the COAG ECEC reforms. The Government's scholarship scheme allocates more than \$1 million over two years to support eligible ECEC workers to upgrade their qualifications for registration as a teacher (DET Queensland 2010a). Other support will be provided for early childhood professionals through the Queensland Kindergarten Learning Guideline, which is based on the national Early Years Learning Framework.

## **F.7 Early childhood education and care in Queensland: the role of local government**

In Queensland, local councils provide a range of community and other services, although generally local government organisations play a limited role in the provision of ECEC services.

### **Licensing, monitoring and enforcement**

Local authorities are responsible for regulating activities such as land use planning, building approvals, waste disposal and regulation of air, noise and water (DIP 2010). Local authorities are also responsible for ensuring that

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centre-based services are constructed in accordance with building standards (Community Services Queensland 2009d).

### **Funding and provision**

Some local authorities operate ECEC services including LDC, OSHC and FDC. Other local authorities operate more wide ranging services, for example Longreach Regional council operates OSHC, FDC, as well as mobile child care and rural in-home services. Mobile child care provides one day of limited hours care in each of four remote townships, and rural in home services provide families in remote Queensland and the Northern Territory or in special circumstances access to a carer to work in the family home. The cost of the latter service can be offset by the Australian Government CCB (Longreach Regional Council nd).

## **F.8 Early childhood education and care in South Australia: the role of the State Government**

The ECEC sector in South Australia has been undergoing rapid change in the past few years. Unlike other jurisdictions, where privately-managed operators have been dominating ECEC services for a long time, in the South Australian market, they account for about 40 per cent of services.

The State Government manages the majority of preschools and OC, as well as sponsoring family day care. In 2009-10, it spent \$124 million on children's services. Expenditure was \$496 per child, compared with a national average of \$249 (SCRGSP 2011a).

The South Australian Department for Education and Child Development (DECD) is responsible for licensing and monitoring ECEC services, as well as providing a variety of services. The *Children's Services Act 1985* and the Children's Services (Child Care Centre) Regulations 1998 set the legislative framework for ECEC services in South Australia. The Legislation Reform Unit within DECD has been preparing the legislation required for the implementation of the NQA and the NPA ECE (DECS ndb).

### **Licensing**

There are different types of regulatory frameworks for various ECEC services. The *Children's Services Act 1985* covers LDC, FDC and babysitting agencies (table F.5).

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Licences are issued for a period of two years, and licensees must ensure the centre complies with the legislation's requirements, including requirements relating to appropriate premises and staffing standards. Service managers need to receive specific approval before being appointed.

A FDC educator is defined as a person who proposes, for monetary or other consideration, to care for not more than four young children on a non-residential basis in a family environment away from their own homes and apart from their guardians. Educators need to be approved under the legislation. The State Government sponsors most FDC schemes in South Australia (DECS 2010a).

OSHC providers are not required to hold a licence. However, OSHC services that operate on DECD sites or that are operated by a DECD school governing council must comply with detailed standards, covering staffing requirements and other areas of operations. Voluntary compliance is recommended for other service providers. Of the 331 OSHC services in South Australia, about 60 per cent are operated by DECD school governing councils, and the rest are operated at community centres or LDC centres (DECS nde). Occasional care that is operated by DECD must also comply with the department's standards (DECS nda).

Preschool education is defined in the *Children's Services Act 1985* as 'programmes for the development and education of children who have not attained the age of six years'.<sup>8</sup> Preschool programs are delivered in a variety of settings (see provision below). Stand-alone kindergartens are registered as children's services centres under the *Children's Services Act 1985*. Government-run preschools are not regulated, while preschools in non-government schools are regulated as childcare centres (DECS 2008).<sup>9</sup>

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<sup>8</sup> In South Australia, preschools are referred to as kindergartens or child parent centres (DECS 2010a).

<sup>9</sup> Due to the regulatory framework, preschool staff working in integrated centres are employed by DECD, while the child care staff are employed by the centre's management committee (DECS ndg).

**Table F.5 Staff-to-child ratios**  
South Australia

<i>Service type</i>	<i>Staff-to-child ratio</i>	<i>Timeframe<sup>a</sup></i>	<i>Qualified staff-to-child ratio</i>	<i>Timeframe<sup>a</sup></i>
LDC	0–2 year-old, 1:5	Until 1 January 2012	0–2 year-old, 1:20	Until 1 January 2014
	> 2 year-old, 1:8 (for the first 8 children, 1:10 for additional children)	Until 1 January 2016	> 2 year-old, 1:35	
	school children, 1:15	Until 1 January 2016	school children, 1:30	
FDC	0–12 year-old, 1:7 (including no more than 4 children aged 0–6)	Until 1 January 2014	All educators must hold a Certificate III in Children's Services	
OSHC <sup>b</sup>	1:12 (for the first 12 children) 1:15 (for additional children)		1:30	
OC <sup>c</sup>	0-2 year-old, 1:5 > 2 year-old, 1:8 (for the first eight children) (1:10 for additional children)		The first staff member at the service must be qualified	

<sup>a</sup> State regulations will continue to apply until NQS requirements come into force. Where state regulations require higher staff-to-child ratios or qualifications than the NQS, these will continue to apply. <sup>b</sup> Standards for OSHC are only compulsory for services that operate on DECD sites or that are operated by a DECD school governing council. <sup>c</sup> Standards for OC services are only compulsory for services that are funded by DECD.

Source: COAG (2009h).

## Monitoring and enforcement

DECD conducts regular monitoring visits to licensed ECEC services and approved FDC educators. Visits are conducted at least once a year, or more often if problems are identified (SCRGSP 2011a). OSHC and OC services receive validation visits. Centres that do not comply with the legislation may lose their licence and other penalties may be imposed under the *Children's Services Act 1985*.

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## Funding and provision

DECD plays a major role in the direct provision of ECEC services, through a number of channels.

- Preschools — DECD operates 96 per cent of the 455 preschools in South Australia. In 2009-10, total expenditure on preschool provision was \$106.7 million (SCRGSP 2011a). Preschools operate as stand-alone services, as school-based preschools or as part of integrated centres (see below). The State Government also operates a preschool dedicated to children with disabilities, as well as supporting their participation in mainstream preschools (DECS ndf).
- FDC — DECD sponsors 12 FDC schemes, which include 822 educators. This represents the bulk of FDC schemes in the State.
- OC — in communities where no other care is available, DECD operates OC through preschools. In 2010, there were 86 preschools providing OC in South Australia.
- Rural care and integrated centres — LDC is provided at 13 preschools in rural communities. There are also 14 rural integrated centres that offer ECEC services in a purpose built facility. Some rural locations offer playcentres as an alternative to preschool for children up to five years of age.
- Children's centres for early childhood development and parenting — as part of its early childhood strategy, the State Government has established 13 integrated children's centres, and plans to build another 10 by 2014. Centres offer ECEC, child health, family support and other services in one location. In addition to teachers and educators, the centres employ community development coordinators, family support services coordinators and allied health professionals. Three centres are designated for Indigenous children and their families (DECS 2010a).

## Workforce initiatives

In addition to the direct provision of services, the State Government supports the ECEC sector in a variety of ways. DECD operates the Early Learning and Curriculum unit, which provides professional development programs and resources for teachers and educators. Specific programs are available to support Indigenous and bilingual children (DECS ndc). The State Government has also supported initiatives to enhance the skills of the ECEC workforce (DFEEST 2005).

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## **F.9 Early childhood education and care in South Australia: the role of local government**

Local councils play a limited role within ECEC. While councils may support ECEC services through their work in community services, they tend not to be involved in the direct provision or regulation of ECEC services.

## **F.10 Early childhood education and care in Western Australia: the role of the State Government**

In Western Australia, the Minister for Education has responsibility for the National Early Childhood Agenda. The Office for Early Childhood Development and Learning has been established under the Department of Education (DfC Western Australia 2009b).

The *Child Care Services Act 2007* and the Child Care Services Regulations 2007, as well as other regulations for specific forms of ECEC, provide the legislative framework for ECEC services in Western Australia. The related regulations include:

- Child Care Services (Child Care) Regulations 2006
- Child Care Services (Family Day Care) Regulations 2006
- Child Care Services (Outside School Hours Care) Regulations 2006
- Child Care Services (Outside School Hours Family Day Care) Regulations 2006
- Rural Family Care (Child Care Services) Regulations 2010.

The *Child Care Services Act 2007* contains the licence provisions for ECEC services, and the Regulations provide further details on the requirements.

The Department for Communities (DfC) is responsible for administering the Act and related regulations (DfC Western Australia 2009a). DfC is responsible for regulating OSHC. OSHC guidelines were recently developed by the Department of Education for schools that wish to provide OSHC services.

ECEC services must also fulfil other requirements such as approval from the Department of Planning to operate the service from the proposed location, building requirements set out in the Building Code of Australia, local government laws, and occupational, health and safety requirements (DfC Western Australia nda).

The Department of Education is responsible for running public preschools, and the majority of preschools are co-located with primary schools. Western Australian

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preschools are governed by the *School Education Act 1999* and the *School Education Regulations 2000*. Program content and quality is regulated under additional regulations (COAG 2009h).

In 2009-10, more than 30 000 children were enrolled in preschool services in Western Australia in the year before full time schooling, and in 2009 over 95 per cent of all eligible children were enrolled in a preschool program (SCRGSP 2011a; DoE Western Australia nda). As part of the rollout of universal access standards, from 2010 some preschool programs will increase from 11 hours to 15 hours per week (DoE Western Australia ndb). By 2013, all government and non-government preschools will provide programs of 15 hours per week, for 40 weeks a year.

Indigenous children may be well represented in preschool enrolments, but attendance rates for Indigenous children are poorer than for non-Indigenous children, suggesting Indigenous children may be benefiting less than other children from preschool programs (SCRGSP 2011a).

## Licensing

In Western Australia, LDC centres, OSHC and FDC services are required to be licensed. Children's services not required to be licensed under Western Australian regulations are nannies and babysitters who provide care for children in their own home. However, they are required to have a current Working with Children Card (DfC Western Australia 2010a). Crèche services that operate in venues such as shopping centres and gyms are regulated through minimum regulatory requirements.

The regulations set out minimum standards including with respect to the suitability of the person who will be looking after the children, child safety, equipment and toys, programs and activities for children, administrative records, information to parents, and staffing qualifications and ratios (DfC Western Australia ndb).

The licensee may employ a supervising officer who is responsible for the day-to-day supervision and control of the service. The supervising officer is also assessed according to their suitability, which includes criminal record and Working with Children checks. A nominated supervising officer cannot operate in the same capacity for a different service operating at the same time (DfC Western Australia nda). As a minimum, the licence applicant is required to have a first aid qualification (DfC Western Australia ndb).

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As part of the suitability of licence process, managerial officers are subject to criminal record and Working with Children checks, and the financial background of licence applicants is assessed. Other checks relate to the service and building including children's program and play equipment, and staffing qualifications and ratios. Licences are not transferable (DfC Western Australia nda).

### *Staff ratios*

Staff-to-child ratios depend on the age of the children being cared for, and current Western Australian staff-to-child ratios for LDC centres are broadly consistent with the NQS (table F.6).

The current staff-to-child ratio of 1:10 for 3-year-old children and younger will continue to apply in Western Australia under the NQS, although other jurisdictions will be required to meet a staff-to-child ratio of 1:11 from 1 January 2016 (COAG 2010; DfC Western Australia ndc).

Under Western Australian regulations, FDC services can care for up to seven children under the age of 13 years (including the educator's own children), which is in line with the NQS for these services. The ratio for children under preschool age will change to 1:4 under the NQS.

In addition, under the NQS, FDC educators will no longer be individually licensed, rather they will have to become members of a FDC scheme, with the scheme acting as a third party regulator.

In Western Australian preschools, the current staff-to-child ratio is 2:20 (one teacher and one assistant per 20 children).

### *Staff qualifications*

In Western Australia, current regulations require a range of children's services qualifications to support staff. For example, current regulations for LDC require a staff member occupying a qualified position caring for children aged 0–2 years to hold a tertiary degree or diploma in early childhood care, a 2-year certificate in children's services studies, a diploma or associate diploma in children's services, or mothercraft nurse qualifications (DfC Western Australia ndc).

**Table F.6 Staff-to-child ratios**  
Western Australia

<i>Service type</i>	<i>Staff-to-child ratio</i>	<i>Timeframe<sup>a</sup></i>	<i>Qualified staff-to-child ratio</i>	<i>Timeframe<sup>a</sup></i>
LDC	0–2 years, 1:4	Ongoing <sup>b</sup>	0–2 years, 1:12	Until 1 January 2014 <sup>b</sup>
	2–3 years, 1:5	Ongoing <sup>b</sup>	2–3 years, 1:15	Until 1 January 2016 <sup>b</sup>
	> 3 years, 1:10 <sup>c</sup>	Ongoing <sup>c</sup>	> 3 years, 1:30	Until 1 January 2016 <sup>b</sup>
Preschool	2:20		1:20 <sup>d</sup>	
FDC	0–6 years, 1:5 0–12 years, 1:7			
OSHC	1:10		1:40	
OC	as per LDC		as per LDC	

<sup>a</sup> State regulations will continue to apply until NQS requirements come into force. Where state regulations require higher staff-to-child ratios or qualifications than the NQS, these will continue to apply. <sup>b</sup> Staff-to-child ratios and qualifications are already aligned with those to be implemented under the NQS. <sup>c</sup> Unlike other jurisdictions where 1:11 applies, under the NQS a ratio of 1:10 will apply from 1 January 2016 for Western Australia. <sup>d</sup> One teacher and one assistant per 20 children. Assistants are not required to be qualified.

Sources: COAG (2009h); DfC Western Australia (ndc).

Unlike some other jurisdictions, Western Australian regulations do not currently require minimum level qualifications for general LDC staff, although Certificate III in Children's Services is encouraged. However, minimum certificate III qualifications are recommended in a recent review and may be implemented before the introduction of the NQS by 1 January 2014.

FDC educators are currently required to hold a first aid qualification. As with LDC staff, under the NQS, FDC educators will be required to have a minimum certificate III qualification by 1 January 2014.

### *Preschools*

Schools, and therefore preschools are not typically licensed, although some private preschools are licensed as childcare services (COAG 2009h).

All preschool teachers in Western Australia have been required to hold a minimum 4-year tertiary qualification since 2004, and must be members of the Western Australian College of Teaching (WACOT) (COAG 2009h). In contrast, there are currently no qualification requirements for ECEC education assistants (about 17 per cent have Certificate III or IV in Children's Services qualifications), and they

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are not required to have WACOT registration (Western Australian Department of Education, sub. 44). Education assistants will be required to have minimum qualification of Certificate III in Children's Services (or be working towards) under the NQS.

## **Monitoring and enforcement**

The DfC is responsible for the administration of the *Child Care Services Act 2007* and relevant regulations. The Child Care Licensing and Standards Unit assesses and processes licence applications, and provides information and support to ECEC services to help them comply. The DfC also monitors compliance with State regulations, and responds to concerns and complaints of non-compliance (DfC Western Australia 2009a).

## **Funding and provision**

In 2009-10, of the 1500 licensed and registered childcare services operating in Western Australia, about 3 per cent were managed by government, less than in the preceding year. In contrast, more than 75 per cent were privately managed, having increased slightly over the same period, and almost 20 per cent were community-managed.

At that time, of the total 1500 services, there were more than 700 FDC educators licensed individually in Western Australia, more than 500 centre-based services, and around 200 OSHC services. Those services catered to around 64 000 children in Western Australia (SCRGSP 2011a).

FDC services are supported by 17 schemes (coordination units). Each FDC educator undertakes a comprehensive assessment to obtain scheme membership. Each educator must be licensed with the DfC Child Care Licensing and Standards Unit (Family Day Care WA 2011).

All 850 preschools operating in Western Australia are managed by government (SCRGSP 2011a). More than 90 per cent of Western Australian children attend preschool (DET Western Australia 2010). Under universal access policies, preschool hours will increase from 11 hours to 15 hours per week. In preparation for the rollout, some preschool services began increasing hours in 2010 (DoE Western Australia nda). Although attendance rates are high, the introduction of 15 hours per week of preschool services under the NPA ECE will affect workforce demand, along with the minimum qualification requirement of Certificate III in Children's Services for all ECEC staff.

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In 2009-10, the Western Australian Government spent more than \$187 million on children's services, with less than \$10 million spent on childcare services, and more than \$178 million on preschool services (SCRGSP 2011a). Specific government preschool initiatives for Indigenous children include:

- Indigenous preschools — operate in 28 schools and provide early learning programs for Indigenous children aged 3–4 years
- Aboriginal and Islander Education Officers — provide help to teachers to implement culturally appropriate early childhood programs (DoE Western Australia 2010c)
- Statewide Speech and Language Service — provides each identified school leader with professional learning and ongoing consultation, mentoring and coaching (DoE Western Australia 2010a)
- Best Start — prepares Indigenous under 5-year-old children for school and provides support for parents, carers and extended families in their parenting role (DfC Western Australia 2009b). Fourteen Best Start programs operate across Western Australia, of which ten are State funded and three new Best Start programs were started in 2008-09 under the NPA ECE. The programs operate across a number of different sites.

In addition, under its Aboriginal Early Childhood Initiative Leadership Trial, DoE Western Australia (through the Aboriginal Education unit) has committed funding to 23 schools for Key Speech and Language Leaders (DoE Western Australia 2010a).

## **Workforce initiatives**

In preparation for the NQS, the State Government has in place a number of initiatives to uplift qualifications in the ECEC sector to meet pending demand. Although Western Australia, unlike other states, does not routinely provide preschool services in LDC settings, by 1 January 2014 under the NQS, an early childhood teacher will need to be in attendance when LDC services are being provided (COAG 2009h).

Present challenges relating to recruiting and retaining suitably qualified staff to rural and remote (and very remote) areas will be increased if quality standards are to apply to ECEC services for Indigenous children. In some areas in particular, such as the Pilbara and Kimberley regions, demand is high and housing costs can be prohibitive (chapter 9).

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## **F.11 Early childhood education and care in Western Australia: The role of local government**

Although some local governments provide ECEC services, local councils play a limited role within the ECEC sector (WALGA 2007). ECEC services need to obtain relevant building approval from their local government (Town of Kwinana nd).

## **F.12 Early childhood education and care in Tasmania: The role of the State Government**

In Tasmania, the State Government plays a key role in the ECEC sector, across regulation, funding and provision. It regulates childcare services, and provides the bulk of preschool services via public schools and other programs. It also provides funding in other areas such as training for ECEC staff and subsidising preschool services in the non-government school sector.

In 2005, the State Government developed the ‘Whole of Government Policy Framework for the Early Years’, to inform and guide policies in the sector (IPCC 2005). A number of reforms and initiatives aim to promote coordination and cooperation between the different arms of government (such as the Department of Education and the Department of Health and Human Services) to improve service delivery.

In 2009-10, the Tasmanian Government spent over \$28 million on ECEC, an increase of 11 per cent since 2005-06. Average expenditure per child was \$342, compared with a national average of \$249, and is spent mainly on preschool services.

In 2010, nearly 38 per cent of Tasmanian children up to five years of age attended Australian Government approved childcare services (compared with a national average attendance rate of 36 per cent). Over half of the State’s childcare services were community-managed, 33 per cent were privately managed and 15.4 per cent were managed by government (SCRGSP 2011a).

### **Licensing**

The Child Care Unit (CCU) at the Department of Education is responsible for administering the *Child Care Act 2001* (Tas). The Act defines childcare as provision of care, for a fee or other material benefit, to a child by a person other than the child’s parent or a member of the child’s extended family. Licences are generally

valid for two years and are issued to services that comply with the legislation's standards (table F.7).

Licences include the following categories:

- approved registration body licences, which cover FDC schemes and in-home care
- centre-based childcare licences, which apply to LDC, OSHC and OC
- home-based childcare licences, for individual providers of FDC.

The standards also allow unqualified staff to be employed in positions that require formal qualifications if they are studying for a qualification or are participating in an approved mentorship program.

**Table F.7 Staff-to-child ratios**  
Tasmania

<i>Service type</i>	<i>Staff-to-child ratio</i>	<i>Timeframe<sup>a</sup></i>	<i>Qualified staff-to-child ratio</i>	<i>Timeframe<sup>a</sup></i>
LDC	0–3 years, 1:5	Until 1 January 2012	0–3 years, 1:10 <sup>b, c</sup>	Until 1 January 2014
	> 3 years, 1:10	Until 1 January 2016	> 3 years, 1:20 <sup>b, c</sup>	Until 1 January 2016
FDC	1:7 (no more than four children < 5-year-old for a standard registration; no more than five children < 5-year-old for an extended registration)	Until 1 January 2014	All educators with an extended registration require certificate III or above. All persons in charge (e.g. coordinators) must hold an approved qualification <sup>c</sup> .	
OSHC	1:15		..	
OC	0–3 years, 1:5		0–3 years, 1:10 <sup>b, c</sup>	

<sup>a</sup> State regulations will continue to apply until NQS requirements come into force. Where State regulations require higher staff-to-child ratios or qualifications than the NQS, these will continue to apply. <sup>b</sup> The ratio is 1 qualified staff member to 15 children for combinations of children between birth and 5-years, with no more than five children younger than 3-years. <sup>c</sup> Approved qualifications include a minimum of a 2-year full-time or equivalent accredited post-secondary education or tertiary qualification in early childhood; or, if appropriate, in school-aged care or recreation. .. Not applicable.

Source: Child Care Act 2001 (Tas).

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## Monitoring and enforcement

The *Child Care Act 2001* includes provisions for inspections of ECEC services. Each service receives an average of four inspections per year, the majority of which are scheduled in advance (except when complaints are made and unannounced visits are conducted). Where problems are found, services are visited more frequently (SCRGSP 2011a).

The Act also includes provisions for suspension or cancellation of licences, as well as penalties for services that do not comply with legal requirements or the conditions of their licence. In cases where services are deemed unsafe or unsuitable, children can be removed from a service by a prescribed officer under the *Child Care Act 2001*.

## Funding and provision

In Tasmania, preschool services represent the State Government's largest involvement in the ECEC sector. In 2009-10, the State Government spent \$26.5 million on preschool services. This includes teacher salaries, since all government preschools have teachers employed by the State Government, and subsidies to non-government schools that provide preschool services.

Preschool services are provided via all primary schools throughout Tasmania. Preschool programs are included in the national curriculum, and all eligible 4- and 5-year-olds are entitled to 10 hours of preschool a week. In 2009-10, the Government managed over 72 per cent of preschools in the State, and employed preschool teachers. Other services were provided through independent and catholic primary schools and LDC centres registered by the Schools Registration Board.

Some government schools across the state are being developed as ECD hubs, offering child care, family support and early education, particularly in vulnerable communities. Early education programs include Launching into Learning (\$12.6 million over four years), an initiative that supports about 120 primary schools across the State that deliver a wide variety of programs for children from birth to 4-years of age and their parents. These can include playgroups, parent groups and other community activities.

In 2007, the Government also launched Making Connections, a guide that aims to encourage primary schools to forge links with LDC centres and support OSHC on school premises. In 2009-10, 20 schools provided LDC services, and 68 schools provided OSHC (DoE Tasmania 2010).

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The extent of the State Government's involvement in the provision of ECEC services is set to increase further as it opens new Children and Family Centres (CFC). Eleven centres are in various stages of development — the first began operating in early 2011 and six more will open by the end of the year.

The CFCs are designed for children from birth to 5 years of age and their families. They will offer a variety of integrated services that will be tailored to each community and can include parenting programs, child and family health services, and adult education and training. Early childhood education and care may be co-located in the centres, but will not be provided by the Government. The Department of Education will be the lead agency responsible for the CFCs (DoE Tasmania ndc).

The State Government also provides funding for a small number of childcare services, such as OC services in rural areas as well as providing specific funding for programs and services for children with additional needs.

### **Workforce initiatives**

The Tasmanian Government funds a number of scholarships, mentorships and skills-training related programs to support the ECEC workforce (DoE Tasmania 2010).

## **F.13 Early childhood education and care in Tasmania: the role of local government**

### **Licensing**

Local councils in Tasmania oversee planning regulations that affect ECEC services. This may include, for example, planning and building approvals, food safety, parking requirements, and change of use of a building (DoE Tasmania ndb).

### **Monitoring and enforcement**

Local government has limited activities in this area. Councils that coordinate FDC schemes monitor the quality of services provided as part of their licensing conditions.

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## Funding and provision

Councils provide limited funding to the ECEC sector. Funding commitments are more substantial for councils that provide ECEC services. Some councils operate LDC centres and FDC schemes (for example, Derwent Valley Council operates both services, as well as a playgroup; Kingborough Council runs a FDC scheme; Burnie City Council operates LDC and OSHC services).

### F.14 Early childhood education and care in the Northern Territory: the role of the Territory Government

The *Care and Protection of Children Act 2007* and the Care and Protection of Children (Children's Services) Regulations 2009 provide the legislative framework for children's services in the Northern Territory. These will be in place until replaced by the Education and Care National Law and Regulations in 2012.

The new Act supersedes the *Community Welfare Act 1983* and Community Welfare (Child Care) Regulations 1987, and commenced in June 2009. It covers a larger number of ECEC services including FDC and OSHC (DET NT 2010e). However, these arrangements do not commence until 2012. Services that were licensed under the old legislation continue to operate under those requirements until their licence expires (DET NT ndb).

The current legislation sets out minimum standards for children's services in the Northern Territory. The Act sets out provision for failure to comply, cancellation of licence and inspection of premises, and penalties in the case of breaches. The Regulations include a range of requirements such as space and child numbers and information including the granting and cancellation of licences (DET NT 2009b).

The Department of Education and Training (DET) is responsible for implementing the childcare component of the *Care and Protection of Children Act 2007*. Preschools (often co-located with primary schools) are not included under this legislative framework and are instead required to operate under the requirements of the *Education Act* (COAG 2009h). The Northern Territory Government has responsibility for the functions of planning (development assessment and land use planning), building regulation and environmental health (LGANT nd).

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## Licensing

Children's services are defined as those that provide care for children less than 13 years of age, in a place other than the child's home for all or part of the day. Excluded are care of a child by family members or private arrangements such as babysitting, and services that are part of an education program provided by a school. Depending on the nature of and the length of time the service is provided, it will either need to be licensed or registered. LDC centres and preschools for 3-year-olds need to be licensed. FDC coordination units are required to be licensed by 1 January 2012, and OSHC by 31 December 2013 (DET NT 2010e).

Licensed children's services are required to notify DET of building alterations, major accidents or incidents, and complaints against the service that may involve a breach of legislation (DET NT 2009d).

A licence to operate a children's service is issued for up to three years. Applicants are appraised in terms of their suitability, the premises provided, and the proposed policies and procedures. As part of the licensing process, DET will assess the probity of the applicant.

Individual FDC services, or short-term care (such as crèches in clubs), or one-off events (such as conferences), are required to be registered from 31 December 2011. To register a service, applicants will need to complete the required paperwork, including providing contact and location details, and commit to comply with the core conditions. Registration is renewed annually (DET NT 2010e).

### *Staff ratios*

Staff-to-child ratios depend on the age of the children being cared for, and current Northern Territory staff-to-child ratios for ECEC services are broadly consistent with those prescribed in the NQS.

However, some changes will be required. For example, for children aged 0–23 months, the current staff-to-child ratio of 1:5 will need to be increased to 1:4 when the NQS takes effect in January 2012. Current regulations for children older than 23 months will not require adjustment (table F.8).

### *Staff qualifications*

Staff in LDC, FDC and OSHC services, and preschools for 3-year-olds, are recommended, but not required, to have a Certificate III in Children's Services. Half of the staff are required to have a minimum of a 2-year children's services or early

childhood qualification. As part of the transitional arrangements, OSHC services have until 31 December 2013 to comply (DET NT 2010g).

In the Northern Territory, there must be at least 12 enrolled children in a preschool for a preschool teacher to be allocated. There is no requirement for a preschool teacher to have a 4-year university early childhood education degree, though they have to hold a teaching qualification recognised by the Northern Territory Teacher's Registration Board. Northern Territory regulations do not require qualified teachers to be employed in LDC settings.

**Table F.8 Staff-to-child ratios**  
Northern Territory

<i>Service type</i>	<i>Staff-to-child ratio<sup>a</sup></i>	<i>Timeframe<sup>b</sup></i>	<i>Qualified staff-to-child ratio<sup>a</sup></i>	<i>Timeframe<sup>b</sup></i>
LDC and preschool	0–23 months, 1:5 <sup>c</sup>	Until 1 January 2012	0–23 months, 1:10	Until 1 January 2014
	24–35 months, 1:5 <sup>c</sup>	Ongoing <sup>d</sup>	24–35 months, 1:10	Ongoing <sup>d</sup>
	> 35 months, 1:11 <sup>e</sup>	Ongoing <sup>d</sup>	> 35 months, 1:22 <sup>e</sup>	Ongoing <sup>d</sup>
FDC	..	Until 1 January 2014 <sup>f</sup>	.. <sup>g</sup>	Ongoing
OSHC	1:15 <sup>h</sup>	Ongoing	..	Ongoing
OC	As per LDC	Until 1 January 2012	As above	Until 1 January 2012

<sup>a</sup> Under the NQS, qualified staff are defined as those that have (or are actively working towards) a diploma level ECEC qualification or above (the teacher may be included in the qualified staff-to-child ratio). <sup>b</sup> State regulations will continue to apply until NQS requirements come into force. Where State regulations require higher staff-to-child ratios or qualifications than the NQS, these will continue to apply. <sup>c</sup> At least two staff to be in attendance at all times, one of whom must be qualified (diploma or above), with any size group. <sup>d</sup> Staff-to-child ratios are already aligned with those to be implemented under the NQS. <sup>e</sup> For preschools, a teacher and an assistant teacher are required to be present at all times. <sup>f</sup> Under the NQS, all FDC educators must hold a certificate III qualification by 1 January 2014. <sup>g</sup> Under the NQS, from 1 January 2014, a staff-to-child ratio of 1:7 will apply, with a maximum of four children not yet attending school, and where the ratio includes the educator's own children (below and above school age). <sup>h</sup> OSHC services have until 31 December 2013 to comply. However, with the introduction of the NQS, this will be brought forward to 1 January 2012. .. Not applicable.

Sources: COAG (2009h, 2010); DET NT (2010g).

### *Remote services*

Services in remote locations are not exempt from the children's services regulations if they meet the definition. However, many services in remote areas do not meet current licensing standards. Some services that do not meet the requirements are eligible to enter into an Action Plan Agreement outlining arrangements and timeframes to fulfil licensing standards while it continues to operate (DET NT 2010f).

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## Monitoring and enforcement

DET is responsible for monitoring and enforcement of childcare legislation through its Children's Services Unit. It regularly inspects licensed children's services to ensure they meet licensing requirements, and provides support and advice on compliance. DET also investigates complaints about licensed children's services and allegations that a service may be operating without a licence (DET NT 2009a).

In addition, the Northern Territory Government is responsible for ensuring ECEC services comply with other regulations, such as planning and building regulations.

## Funding and provision

In 2008-09, of the 80 licensed childcare services operating in the Northern Territory, none were managed by the Government.<sup>10</sup> About 30 per cent were privately-managed, and 70 per cent community-managed. There are an estimated 9000 childcare places in the Northern Territory across more than 180 services (DET NT 2010c). Of the 116 preschools operating in the Northern Territory<sup>11</sup>, more than 95 per cent were managed by government, and less than 5 per cent privately-managed. None were community-run.

In 2008-09, the Northern Territory Government spent almost \$35 million on children's services. Less than \$5 million was spent on ECEC services, and most of those funds were spent on preschools (\$30 million) (SCRGSP 2011a).

ECEC initiatives funded by the Government include:

- Northern Territory Child Care Subsidy — a subsidy introduced in 1983 to assist operators of licensed LDC centres to contain the cost of care, available for all licensed for-profit and not-for-profit LDC centres (DET NT 2009c)
- nutrition education — to support ECEC facilities to deliver nutrition education and provision of meals to children from January 2010 (DHF NT 2010).

The Government also funds the Children's Services Information System — a new data management system that assists with licensing administration processes and streamlining grants and funding payments to eligible licensed services (DET NT 2010h).

The Northern Territory Government is the primary contributor of funding to 'sessional' preschool programs. Preschool education is provided for 12.5 hours per

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<sup>10</sup> Licensed centre-based LDC services only.

<sup>11</sup> Includes Government and Catholic Remote Indigenous school preschools only.

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week for 4-year-old children in the year before school, and for some 3-year-old children with identified needs and Indigenous children in remote areas.

Preschools are generally attached to primary schools and open during school hours. Early Learning Centres are generally funded and licensed as LDC centres and operate integrated care and education programs from a school setting (Elliott, Fasoli and Nutton 2009).

The Northern Territory Government provides a range of services for Indigenous communities including through its Families as First Teachers — Indigenous Parenting Support Services Program. The early learning component builds family knowledge of learning through active engagement with ECE programs (DET NT 2010c, 2011b).

Northern Territory Government funding of children's services is complemented by a range of funding by the Australian Government.

- Multi-functional Aboriginal Children's Services (MACS) — providing LDC, playgroups and other programs, and other non-mainstream services.
- Other non-mainstream services — generally delivered in rural and remote areas that include flexible services such as mobile and on-farm care services, Indigenous playgroups, OSHC, enrichment programs, Jobs, Education and Training (JET) crèches, and Innovative Child Care Service Hubs (Elliott, Fasoli and Nutton 2009).
- Pilot programs — in 2008-09, under the NPA ECE, several pilot programs were established to provide 15 hours of education in eight urban preschools and several remote areas (DET NT 2010c).
- Mobile preschools — where each mobile preschool has a qualified teacher who travels to several remote towns to assist local communities to deliver preschool activities (DET NT 2008).

In addition, DET provide early childhood intervention services for infants to 6-year-old children with developmental delay (or potential giftedness), through assistance to families, carers and teachers (DET 2010g). They also provide professional learning for EC teachers through the ESL for Indigenous Language Speaking Students program, including 35 additional ECE teachers to support the teaching of spoken English (DET NT 2010c).

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## **Workforce initiatives**

DET NT offers scholarships for individuals to upgrade qualifications to a 4-year university degree with an EC specialisation, although recently these have been delayed (DET NT 2010h). It also supports the workforce through the NT Early Years Framework, and Strong Beginnings — a guide to quality practice for staff working in children's services (DET NT 2009e).

## **F.15 Early childhood education and care in the Northern Territory: the role of local government**

### **Licensing, monitoring and enforcement**

Local government in the Northern Territory does not have responsibility for the functions of planning (development assessment and land use planning), building regulation and environmental health. The Northern Territory Government is responsible for those functions (LGANT nd). However, where children's services apply for planning approval, the Northern Territory Government can invite the relevant local government to provide comment.

### **Funding and provision**

Few local councils provide ECEC-related services. One example is the Central Desert Shire Council, which has responsibility for early childhood facilities. Currently there are two LDC facilities and three crèche facilities in the council's area. The council provides training support to 14 local ECEC staff to obtain a Certificate III in Children's Services (Central Desert Shire 2010). Darwin City Council sponsors seven ECEC centres via the provision and maintenance of buildings (Darwin City Council, sub. 47).

## **F.16 Early childhood education and care: the role of the ACT Government**

The following discussion describes the role of the ACT Government within the ECD sector. Due to the unique governance structure in the ACT, the legislative assembly acts as both a state and local government (Legislative Assembly for the ACT nd).

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The ACT Government's ECD policies are guided by its Children's Plan, which aims to improve the health and wellbeing of children, provide quality education to all children, and support parents and communities (ACT Government 2004).

In 2009-10, the ACT Government spent \$27.7 million on ECEC services — \$22.8 million was spent on the provision of preschool services, which is provided through public schools. This equates to \$489 per child, compared with the national average of \$249 per child (SCRGSP 2011a).

## Licensing

The *Children and Young People Act 2008* includes licensing, monitoring and enforcement provisions for ECEC services. Adjunct care (for example, in gyms), informal care by relatives and playgroups are exempt from the Act's requirements.

Licensing of ECEC services is administered by the Children's Policy and Regulation Unit (CPRU), a section of the Office for Children, Youth and Family Support within the Community Services Directorate.<sup>12</sup>

Licences are granted for a period of up to three years. Licensed services must comply with the ACT Childcare Services Standards 2009, which detail operating procedures, programming, planning, and staffing and qualification requirements (table F.9) (DHCS 2009a).

The *Children and Young People Act 2008* defines a childcare centre as a service that provides care in specific premises to at least five children under school age, or eight children, if no more than four of them are not yet attending school. Under the Act, childcare centres include LDC, OSHC, playschools and independent preschools.

The majority of preschools are integrated into public schools and regulated under the *Education Act 2004*. Independent preschools are regulated by the Community Services Directorate, and covered by the childcare standards. Playschools are community-managed educational programs for 3-year-old children (unlike preschools, that offer one year of education for 4-year-olds). They are also regulated under the childcare standards (DHCS 2009a).<sup>13</sup>

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<sup>12</sup> In March 2011, the ACT Government decided to restructure its departments into a single public service agency, comprising nine directorates. As a result, the Department of Disability, Housing and Community Services became the Community Services Directorate (ACT Government 2011).

<sup>13</sup> Playschools must have a minimum of one staff member for every ten children attending, and a qualified team leader (holding a Diploma of Children's Services or a degree in early childhood

**Table F.9 Staff-to-child ratios**  
Australian Capital Territory

<i>Service type</i>	<i>Staff-to-child ratio</i>	<i>Timeframe<sup>a</sup></i>	<i>Qualified staff-to-child ratio</i>	<i>Timeframe<sup>a</sup></i>
LDC	0–3 year-old, 1:5 > 3 year-old, 1:11 Group sizes cannot exceed: • 0–2 year-old, 15 children • 2–3 year-old, 20 children • 3–5 year-old, 33 children	Until 1 January 2012 Until 1 January 2012 Until 1 January 2012	<ul style="list-style-type: none"> <li>• One in two contact staff must be qualified</li> <li>• Each group of children must have a designated team leader who holds (or is working towards) a tertiary qualification in early childhood education</li> <li>• Director must hold a tertiary qualification in early childhood or a Graduate Certificate in Childcare Management</li> </ul>	Until 1 January 2014
FDC	0–12 year-old, 1:7 (no more than four children under school age)	Until 1 January 2012	<ul style="list-style-type: none"> <li>• One staff member must hold a Diploma in Children's Services or a university degree in early childhood education, for every three coordinators at each FDC scheme</li> </ul>	Until 1 January 2012
OSHC	School-age, 1:11 (1:8 for children attending a holiday camp)		School-age, 1:33 <ul style="list-style-type: none"> <li>• All qualified staff must hold (or be working towards) a tertiary qualification in education or other relevant field</li> </ul>	
OC	..		..	

<sup>a</sup> ACT regulations will continue to apply until NQS requirements come into force. Where ACT regulations require higher staff-to-child ratios or qualifications than the NQS, these will continue to apply. .. Not applicable.  
Source: COAG (2009h).

education) for each group of up to 20 children. Independent preschools need two staff members, one of whom must be qualified, if up to 25 children are attending. Where 26–33 children attend, there must be three staff members, at least two of which with qualifications — one with a degree and another with a minimum qualification of Certificate III in Children's Services. Independent preschools may have up to 33 children (DHCS 2009a).

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## Monitoring and enforcement

The CPRU monitors licensed children's services, and has the authority to take action against services that do not comply with the legislation. This can include penalties, suspension and cancellation of licences and the removal of children from a service.

The CPRU conducts three to four visits to each licensed service every year. It prepares an annual compliance report for every service and notifies parents of confirmed issues of non-compliance (DHCS 2009b).

## Funding and provision

The ACT Government operates 74 preschool units through the Education and Training Directorate (ETD) (formerly the Department of Education and Training).<sup>14</sup> Since 2008, all public preschools have been combined into primary schools. Most offer 12 hours of early childhood education to 4-year-old children. The implementation of the NPA ECE has begun in 16 public schools with the delivery of 15 hours of preschool (DET ACT ndb).

Since 2009, the ETD has been operating five early childhood schools, offering integrated education and care for 0–8 year-old children. The schools offer a variety of services, including child care (outsourced to an external provider), preschool, formal schooling through kindergarten and years 1 and 2, community programs for young children and their families, counselling and family support (DET ACT 2008).

The ETD also provides the Koori Preschool Program, an early childhood education program for Aboriginal and Torres Strait Islander 3–5 year-old children, through five public schools. The program provides 9 hours of early childhood education per week. Younger Indigenous children can also attend but must be accompanied by a parent or adult caregiver. Aboriginal and Torres Strait Islander 3-year-old children can also attend their local preschool for 6 hours per week in second semester through the Early Childhood Education Early Entry Program (ACT Government, sub. DR338).

Children with additional needs can access services through the early intervention program managed by the ETD. Services range from supported playgroups for toddlers, dedicated preschool sessions, autism and language intervention units and support for teachers for children in preschool and school (DET ACT nda).

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<sup>14</sup> In March 2011, the Department of Education and Training became the Education and Training Directorate (ACT Government 2011).

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Within the ECEC sector, about \$2.2 million is spent on the provision of OC services and support the inclusion of children with additional needs. Services are provided by a number of community organisations (DHCS 2010a).

### **Workforce initiatives**

As part of its preparation for the NQS implementation, the ACT Government has implemented a range of initiatives for ECEC staff to gain or upgrade their qualifications (DHCS 2011). The Government is utilising a range of fully funded strategies to upgrade teacher and preschool assistant qualifications in ACT public schools.

The CPRU funds and provides training and support services for ECEC services and their staff (DHCS 2010b). Other branches of government are involved in ECEC training programs. For example, the Canberra YWCA offers specific training for staff from CALD backgrounds, funded by the Government's Strategic Priorities Program (CSWS 2008).

## **F.17 Child health services: the role of the Australian Government**

### **Licensing**

The child health workforce is not regulated by specific Commonwealth legislation. Nurses and allied health professionals working in the child health area are subject to the same registration and licensing provisions as the rest of their profession, regardless of their place of work.

The Nursing and Midwifery Board of Australia has been operating as part of the Australian Health Practitioner Regulation Agency (AHPRA) since 2009. It is the national registration body for nurses and midwives, as well as the accreditation body for education providers offering nursing and midwifery courses. The board replaces the state registration boards, and transitional arrangements have been put in place for the implementation of the new registration system. Under the new system, child and family health nurses no longer have a specific endorsement (AHPRA 2010), although practising may require further training in some states (see Victoria).

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## Monitoring and enforcement

AHPRA enforces the standards for nursing and midwifery registration and investigates complaints from the public (AHPRA nd).

## Funding and provision

The Australian Government sets the priorities for child health programs as part of its public health policies, and provides funding to a range of initiatives. However, unlike the ECEC sector, the Australian Government contributes the smaller part of funding in this area — for example, Australian Government funding for community health (which includes child health) was \$729 million while the state and territory governments contributed \$4615 million in 2008-09 (AIHW 2010a).<sup>15</sup>

There are numerous examples of major child health initiatives receiving support from the Australian Government.

- Preventive Health — The National Partnership Agreement on Preventive Health was approved by COAG in 2008, and contains provisions for over \$870 million in funding. The largest funding allocation is for programs focusing on child health. The NPA provides \$325.5 million over four years to 2014-15 for state and territory governments to put in place programs aiming to increase physical activity and improve nutrition in LDC centres, preschools, schools and within families (DoHA nda).
- Immunisation — is administered through the Immunise Australia Program and the Office of Health Protection. The national immunisation program, which offers vaccines to children as well as adults, is a part of the National Partnership Agreement on Essential Vaccines. Under the agreement, the Australian Government undertakes the responsibility to purchase all vaccines (DoHA 2010d).
- Maternity Immunisation Allowance — is paid to parents who have their children fully immunised. In 2009-10, 270 000 families received the allowance, at a total cost to the Government of \$34.9 million (FaHCSIA 2010e). To receive the CCB, parents must show their child is fully immunised (for more on the CCB, see payments to parents and guardians).

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<sup>15</sup> In contrast, the Australian Government contributes the majority of total health expenditure each year, accounting for 62 per cent in 2008-09. This is due to its substantial contribution to public hospitals, medical services and medications (AIHW 2010a).

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- Healthy Kids Check — 4-year-old children can receive a health check funded by Medicare (DoHA 2010a). The 2008-09 Budget allocated \$25.6 million over four years to implement the initiative (Treasury 2008) (chapter 12).
  - The Australian National Breastfeeding Strategy 2010–15 — was adopted by the Australian Health Ministers in 2009. It aims to promote and support breastfeeding, which was linked to positive health outcomes in babies and mothers. The Government provides direct funding to the Australian Breastfeeding Association and other programs in this area (DoHA ndb).
  - Specific programs to promote the health of indigenous children — such as the Healthy for Life and the New Directions Mothers and Babies programs, which aim to improve the health of Indigenous mothers, infants and children. The New Directions program received funding of \$90.3 million under the National Partnership Agreement for Indigenous Early Childhood Development (COAG 2009b).<sup>16</sup> Other examples include the Rural Primary Health Services program and the annual Aboriginal and Torres Strait Islander Child Health Check for children from birth to 14 years of age.
  - Specific programs for children with additional needs — such as the Helping Children with Autism program (FaHCSIA ndd). Support and funding for children with additional needs and their families are available through the National Disability Agreement, FaHCSIA, Medicare and Centrelink.

## Primary health policy

The introduction of national health policy changes may affect the delivery of child health services across Australia.<sup>17</sup> In 2009, The National Health and Hospitals Reform Commission recommended that the Australian Government assume responsibility for policy and funding for primary healthcare services, including child and family health services that are currently funded by state and local governments (NHHRC 2009). From July 2011, the Australian Government will assume funding and policy responsibility for primary health care. However, COAG will review the services that will be included under primary health care and whether this will include child health (Commonwealth of Australia 2010).

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<sup>16</sup> This National Partnership Agreement is one of a suite of agreements under the broader national Closing the Gap strategy that aims to improve Indigenous life expectancy, access to early childhood education and educational and employment achievement.

<sup>17</sup> The National Health and Hospitals Network Agreement was signed by COAG in 2010. It transfers the responsibility for general practice, primary health services and the aged care system to the Australian Government, which will also continue to provide the majority of public hospital funding. The overall cost of the reform is estimated at \$7.4 billion (DoHA ndc).

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The National Health and Hospitals Reform Commission also recommended a universal delivery model that begins before birth and includes periodic assessments and consultations until the child reaches eight years of age. Specific services will be offered to families whose children have additional needs (NHHRC 2009).

Concurrently, a draft National Framework for Child and Family Health Services has been prepared for the Australian Health Ministers' Advisory Council. The framework aims to create a national benchmark for child health services and the skills required in this area (Allen Consulting 2009).

## **F.18 Child health services in New South Wales: the role of the State Government**

Most child health services are funded and provided by the State Government through eight area health services operating within the New South Wales Department of Health.<sup>18</sup> Some services are provided as part of Families NSW, a whole-of-government strategy that aims to promote the health and wellbeing of children. There are a number of policy initiatives in the area of child health.

- The Maternal and Child Health Primary Health Care Policy is part of the Families NSW Supporting Families Early policy package, which was issued in March 2010. It sets the guidelines for the provision of maternal and child health services in New South Wales (NSW Department of Health 2010b).
- Safe Start is the second component of the Supporting Families Early policy package, relating specifically to parental wellbeing and skills, and child and family mental health (NSW Department of Health 2010d).
- The Aboriginal Maternal and Infant Health Strategy (AMIHS) aims to improve the health and wellbeing of Indigenous mothers and their babies, through 30 different programs provided across the State (NSW Department of Health 2010a).
- NSW Kids will be a new branch within the Department of Health that will take responsibility for all health policies for children and young people. Preparation for the establishment of the new branch is underway, following a review of the New South Wales public health system (NSW Department of Health 2010a).
- Keep Them Safe was introduced in 2009, to overhaul the child protection system in New South Wales. The program, which received funding of \$750 million, includes provisions for early prevention and intervention services provided in a

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<sup>18</sup> There are also three child health networks within the Department of Health, that provide support for health professionals who work with children (NSW Department of Health ndc).

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community setting. These aim to strengthen existing programs, such as Families NSW (DoPC nd).

## **Licensing, monitoring and enforcement**

The State Government does not impose any specific licensing requirements on child health providers, and there is no monitoring and enforcement legislation. These are addressed by the national registration boards for each relevant occupation (see section F.17).

Guidelines for the provision of child health services are included in various policy documents. The Child and Family Health Nursing Professional Practice Framework sets out expectations of child and family health nurses (NSW Department of Health 2011). The Maternal and Child Health Primary Health Care Policy sets out that child and family health nurses should be registered nurses or midwives with qualifications in child and family health. However, some area health services employ community health nurses and provide in-house training on child and family health issues (NSW Department of Health 2010b).

## **Funding and provision**

In 2008-09, the New South Wales State and local governments spent \$1257 million on community health (which includes child health), compared with \$1297 million spent in the previous year (AIHW 2010a). The State Government funds the direct provision of child health services, as well as supporting non-government bodies that offer services to children and families.

The area health services across the State provide various child health services, either in the family home, dedicated child and family health centres, early childhood centres, or via community health centres. Overall, child health services operate at over 400 sites across the State (NSW Department of Health 2010c).

Child and family health nurses at early childhood health centres or community health centres check children's development, and advise parents on a range of issues. In 2007-08, 60 per cent of babies aged 0–11 months and 35 per cent of children aged 1–4 years attended an early childhood health centre (NSW Department of Health 2010c).

As part of the Families NSW initiative, the New South Wales Department of Health is aiming to offer a home visit to every family in the two weeks after the birth of a baby. In 2008-09, about 90 per cent of families were offered a visit (NSW

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Department of Health 2010a). Specific home visiting programs are offered to families with additional needs through the sustained health home visit program. There are also targeted programs for Indigenous families, those living in rural and remote areas, and families from CALD backgrounds.

Following the initial home visit, a schedule of seven health checks up until the age of four is offered through early childhood health and community health centres. Families can be referred to family care cottages, or family care centres, which offer more residential services and intensive support to parents encountering difficulties with their child feeding, sleeping or behaviour. The New South Wales Department of Health also funds private providers of residential services for parents with young children, as well as phone lines providing health and parenting advice (NSW Department of Health 2010a).

Families whose children have additional needs can access services through the Early Childhood Intervention Coordination Program, managed by the Aging, Disability and Home Care agency within the Department of Human Services. The program brings together services from a number of government departments, such as health, community services, disability and home care, and education and training, to support children and families (DADHC nd).

The NSW Department of Health also offers two health screening programs to young children. The New South Wales Statewide Infant Screening – Hearing (SWISH) program offers a hearing test to all newborn babies. Tests are often carried out in hospitals or at early childhood centres. (NSW Department of Health ndd). The Statewide Eyesight Preschooler Screening (StEPS) offers universal vision tests to 4-year-olds. Tests are conducted at preschools, LDC centres and early childhood centres (NSW Department of Health ndc).

The New South Wales Government funds and coordinates the provision of vaccines. Most children receive their immunisations from a general practitioner (GP). However, local councils, public hospitals and community health centres also provide immunisation services.<sup>19</sup> Community health centres supplied 7.4 per cent of vaccines to children between 2005 and 2010, while local councils supplied 5.6 per cent. In comparison, GPs provided 84.5 per cent of vaccines (SCRGSP 2011a). In addition to providing funding, the NSW Immunisation Strategy 2008–2011 includes initiatives that target areas of low immunisation coverage as well as promoting the immunisation of Indigenous children (NSW Department of Health 2007).

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<sup>19</sup> Immunisations can be administered by nurses with a specific endorsement, who do not have to be child health nurses (AHPRA 2010).

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## **F.19 Child health services in New South Wales: the role of local government**

The involvement of local governments in child health activities varies. Some councils develop public health plans, which deal mainly with food safety and disease control but also touch on child health issues; other councils include these issues in their social plans (LGSA nd). In a 2004 survey, 31 per cent of councils reported that they ran immunisation clinics and 13 per cent had early childhood health centre policy statements (LGSA 2005).

### **Licensing, monitoring and enforcement**

Councils have a limited role in this area. They are involved in enforcing food safety and sun protection standards within LDC centres (LGSA 2005).

### **Funding and provision**

The level of funding and provision of child health services varies across councils. For example, North Sydney Council provides accommodation for the two early childhood centres operating in its jurisdiction, as well as offering free immunisation services (North Sydney Council 2008). Bankstown Council also supports early childhood centres, and provides immunisation services and funds initiatives to promote breastfeeding and immunisation (Bankstown Council 2006).

## **F.20 Child health services in Victoria: the role of the State Government**

### **Licensing, monitoring and enforcement**

There are no specific State Government licensing, monitoring and enforcement arrangements covering child health in Victoria.

A number of standards and guidelines affect child health in Victoria (DEECD 2010m). For example, the Department of Education and Early Childhood Development's (DEECD) Maternal and Child Health (MCH) Program Standards provide a framework for the delivery of MCH services, support the provision of clinical and corporate governance, and provide a systematic approach to improving service delivery and safety. The Program Standards are recommended for use by the MCH workforce and support structures, including local government. They set out

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the qualifications required of MCH nurses, which include registration as both a nurse and a midwife, as well as post graduate qualifications in child and family health nursing. Councils are encouraged to use the program standards to assess service quality (DEECD 2009g).

## **Funding and provision**

The Victorian Government funds child health and related support services by approximately \$100 million each year, and provides a further \$65 million for early intervention services. These services include child health services and parenting support as well as specific services aimed at vulnerable families or families with additional needs. Early intervention services aim to improve the lives of children with disabilities or developmental delay. The Victorian Government provides few of these services directly (DEECD 2010m).

Child health services include:

- universal MCH services — jointly funded by the State and local governments, providing ‘key ages and stages’ consultations to children from birth to school age, including an initial home visit soon after the birth of a child. Victorian Government funding contributions are based on an enrolment-based funding formula, and weightings are applied for services to low socioeconomic and rural areas
- enhanced MCH services — fully funded by the Victorian Government, supplementing universal MCH services by providing more intensive support to children and families where there are multiple risk factors (for more on these services, see section F.21 below)
- the MCH telephone line — providing information and advice on health issues to parents with children from birth to five years of age.

## **Workforce initiatives**

The Victorian Government and local governments in Victoria have been trying to attract more nurses to the MCH specialty. Workforce shortages are more pronounced in rural and urban fringe areas. DEECD funds scholarships for nurses, which are targeted to high priority areas where there are difficulties recruiting and retaining staff (Victorian Government, sub. 87). Many councils are also offering scholarships to nurses to gain the required qualifications, and a special website has been set up to offer more information to prospective applicants (Municipal Association of Victoria 2010a, ndc).

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## **F.21 Child health services in Victoria: the role of local government**

### **Licensing, monitoring and enforcement**

Local governments in Victoria do not have a direct licensing or enforcement role in the child health sector. Based on the standards set by the State Government, local councils in Victoria require MCH nurses to hold specific qualifications (nursing, midwifery and specific child health studies) in order to be employed. The delivery of services is monitored by the State Government against agreed targets, such as the number of clients attending a specific service (DEECD 2009g). Local government has legislative responsibility for immunisation services.

### **Funding and provision**

Universal and enhanced MCH services are funded jointly by the State and local government (see provision below).

Universal MCH services and enhanced MCH services are delivered by all local councils across Victoria (DEECD 2010m). In 2008, 1150 nurses worked in family and child health in the State, mostly employed part time (AIHW 2010b).

The universal service is available to all children born or living in Victoria, from birth to six years of age. There are ten scheduled consultations offered to parents at key stages in the child's life.<sup>20</sup> In addition to nurses, some local governments employ allied health professionals, such as lactation consultants, who can provide specific advice and support to parents. Enhanced services are offered to children at risk of poor outcomes, and include more targeted and intensive services and referrals to other professionals.

MCH nurses also provide family support services by facilitating workshops for parents and other 'community strengthening activities', as well as offering counselling and referrals to mothers. In 2009-10, MCH nurses were involved in about 50 000 counselling sessions for mothers, and issued about 12 000 referrals for further support on emotional, physical, social or domestic violence issues. (DEECD 2010i).

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<sup>20</sup> Nurses visit 99.8 per cent of newborns for the initial home consultation and 96.6 per cent of parents take their babies to the 2-week check-up; however, by the time the child is three and a half, the attendance rate declines to 63.1 per cent (DEECD 2010i).

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From 2005 to 2010, councils in Victoria provided 45 per cent of vaccines administered to children under seven years of age (GPs accounted for 53 per cent). This is the highest percentage of council involvement across Australia — on a national basis, councils provided 17 per cent of vaccines (SCRGSP 2011a). In Victoria, councils are required by State law to coordinate vaccination services, and many provide them directly (Municipal Association of Victoria ndb). The provision structure differs across councils, through immunisation teams, MCH centres and outsourcing (DHS 2007).

## **F.22 Child health services in Queensland: The role of the State Government**

### **Licensing, monitoring and enforcement**

The Queensland Government has a limited role in the licensing, monitoring and enforcement in the area of child health.

### **Funding and provision**

The Queensland Government funds and provides a range of services that support the health and wellbeing of children. These sometimes combine ECD services such as child health and family support.

- Child Health Services provide prevention and early intervention services for children (and caregivers) aged up to 12 years, through its Community Child Health Centres. Community Child Health Centres provide multidisciplinary child health and parenting support, including health surveillance and screening, growth and development assessment, infant feeding, immunisation, and behavioural and parent support (Queensland Health 2008a).
- The Child and Youth Mental Health Service provides specialist mental health services for children and young people (up to 18 years) and assistance to their families (Queensland Health 2008b).
- The Queensland Health Immunisation Program aims to minimise incidence of major vaccine preventable diseases by providing immunisation including for vulnerable groups (Queensland Health 2010a).
- The Health Hearing Program includes screening of eligible newborns (Queensland Health 2010a). The Queensland Government will fund Children's Hearing Services by \$16.5 million over four years from 2010-11 (Queensland Government 2010b).

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- Newborn and Family Drop-in services provide specialist advice to new parents on a range of issues, including infant feeding and bonding (Queensland Health 2010a).
  - A range of child health fact sheets support parents in caring for their children (Queensland Health 2008b).

Child health services may also be provided as part of integrated early years centres, for example, in Beaudesert, Acacia Ridge, Cairns and Browns Plains (section F.6) (Wilson 2010).

In addition, the Queensland Government is responsible for rolling out several initiatives under the National Partnership Agreement on Indigenous Early Childhood Development, including initiatives in Cape York to enhance child and maternal health services (Queensland Health 2010a). The Children's Hearing Services (above) include enhanced access to therapy services for Indigenous children (Queensland Government 2010b).

### **Workforce initiatives**

Queensland Health provides support for the child health workforce, for example, by providing practice guidelines (Queensland Health 2009) and clinical neonatal guidelines (Queensland Health 2010b).

A range of initiatives support the MCH workforces including financial support for Indigenous health workers to take a Certificate IV in Maternal and Child Health (Aboriginal and Torres Strait Islander) course (Queensland Health 2010a).

## **F.23 Child health services in Queensland: The role of local government**

The role of local government in the child health sector is limited to the provision of a few services. In Queensland, some local governments manage immunisation clinics. For example, Logan City Council provides free immunisation clinics on a regular basis at a number of locations (Logan City Council 2010).

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## **F.24 Child health services in South Australia: the role of the State Government**

The Women's and Children's Health Network (formerly Children, Youth and Women's Health Service), which is part of SA Health, is the main provider of child health services in South Australia.

### **Licensing, monitoring and enforcement**

There are no specific licensing requirements for child health staff in South Australia, other than the national registration requirements for their profession. To be employed as a child and family health nurse in South Australia, nurses generally require a relevant postgraduate qualification.

### **Funding and provision**

The Women's and Children's Health Network provides an array of child health services.

- Health checks — children are offered five free health checks between birth and six years of age that are administered by a child and family health nurse, through a Child and Family Health Centre. The first check is usually done in the family home, soon after birth, as part of the universal contact visit program. Families with specific needs can be referred to the family home visiting program, which offers 34 visits until the child reaches their second birthday. In 2009-10, 19 000 universal visits were undertaken and about 1500 families were involved in the family home visiting program. Child and family health nurses also visit all preschools to provide health checks for children and provide some immunisation services.
- More intensive programs, such as day and residential services, which offer parents extensive support with infant behaviour and other issues.
- Hearing checks are offered to all newborn babies through the Universal Neonatal Hearing Screening Program (UNHS). Older children (up to 12-year-olds) can also be referred for hearing assessments.
- Specific services for Indigenous children and their families are provided by Aboriginal Cultural Consultants. Their role is to assist Indigenous families in gaining access to the various services offered by the Women's and Children's Health Network, and support non-Indigenous staff to deliver these services.

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- Specific services for children with additional needs include the Early Childhood Intervention Program and the Access Assistant Program. The Early Childhood Intervention Program offers information and support for parents whose children suffer from developmental delays. The Access Assistant Program employs health support officers who assist children with a disability while attending preschool or school (CYWHS ndb).

## **F.25 Child health services in South Australia: the role of local government**

The role of local governments in child health in South Australia has historically focused on the provision of immunisation services. Between 2005 and 2010, 19 per cent of children in South Australia received their immunisation from a local council (in comparison, 9 per cent of immunisations were done at community health centres and 69 per cent were administered by GPs) (SCRGSP 2011a).

## **F.26 Child health services in Western Australia: the role of the State Government**

### **Licensing, monitoring and enforcement**

There are no specific licensing requirements for child health staff in Western Australia, other than the national registration requirements for their profession. Department of Health community health nurses are required to be registered nurses with post graduate qualifications in child and family health.

### **Funding and provision**

The Department of Health provides a range of child health services through its Child and Adolescent Community Health Service.

- Child Development Assessments are conducted by community health nurses for all children between birth and six years. Children receive six checks between birth and three years, and then an assessment in the first year of school attendance (which can be at preschool). Community health nurses check a baby's growth and physical development, and assess maternal and family health and wellbeing. Nurses also provide a link for families to other services within the health system and community, and refer developmental issues for further assessment and treatment (Western Australian Auditor General 2010).

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- Targeted services offer more intensive support for at risk families, such as refugee and Indigenous families. Services include health surveillance, universal and targeted prevention, early identification and intervention, health promotion and education, disease control, health care advice and specific family health programs (Western Australian Auditor General 2010; DoH Western Australia nda).
  - The Child Development Service provides a range of assessment, early intervention and treatment services to children with, or at risk of developmental disorders or delay (DoH Western Australia nda).
  - A range of information for families on infant care and child growth (DoH Western Australia ndb).

A number of Indigenous health services across metropolitan and country areas in Western Australia provide family and child health services. These fall under the Aboriginal Health Council of Western Australia (AHCWA), the peak body for Indigenous community-controlled health services, which receives core funding from the Western Australian Department of Health (Hames 2011).

### **Workforce initiatives**

The State Government, through the Department of Health, provides financial assistance to eligible students through initial registration scholarships, postgraduate scholarships, fellowships and grants (DoH Western Australia ndc). The Office of Aboriginal Health also offers scholarships to Indigenous students currently studying an accredited health services university or TAFE course, or at another registered training organisation (DoH Western Australia ndd).

## **F.27 Child health services in Western Australia: the role of local government**

Though some local governments provide immunisation services, local councils in Western Australia play a limited role in child health.

## **F.28 Child health services in Tasmania: the role of the State Government**

The Tasmanian Government developed the Kids Come First project, a ‘whole-of government’ initiative to improve health and wellbeing outcomes for

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children and young people. The project measures outcomes for over 90 indicators across 30 outcomes, from infant development to lowering crime levels (DHHS 2009). In 2009-10, the State Government spent \$92.3 million on child and family services, which includes both child health and family support (DoTF 2010).

## **Licensing, monitoring and enforcement**

The State Government has no role in licensing within the child health area. Nurses and other allied health professionals need to be registered with the relevant national body, such as the AHPRA, and hold appropriate qualifications.

Monitoring and enforcement of child health services is managed by the State Government. For example, State Government recruitment processes require nurses to hold a suitable postgraduate qualification to work in child health. Other processes are in place to monitor practice and ensure accountability.

## **Funding and provision**

The State Government, through the Department of Health and Human Services provides funding for child health services, which offer universal services to all under 5-year-old children and their families. This includes a schedule of assessments commencing at two weeks of age and continuing until the child reaches three-and-a-half years of age.<sup>21</sup> In addition, a variety of support services are available to parents.

State-funded services include:

- parenting centres, which offer more intensive support to parents of children aged from birth to five years
- the Child Development Unit, which offers services and assistance to children who are suspected of suffering from delayed development
- a number of regional maternity services, which also include child health and parenting support, through the outpatient departments of regional hospitals
- home visits under the CU@Home program, which specifically targets young mothers (15–19 years old)

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<sup>21</sup> Attendance rates tend to fall rapidly — 90 per cent of newborns attend check-ups between birth and 4 weeks of age, falling to 67 per cent by the time they reach 6 months of age (DHHS 2009).

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- a 24-hour phone help line, providing support and information for families with young children
  - the Tasmanian Autism Spectrum Diagnostic Assessment Service, which provides comprehensive assessment services to children who may have an autism spectrum disorder.

## **F.29 Child health services in Tasmania: the role of local government**

The role of local government in the child health sector centres on immunisation services. Most local councils offer these services, either through immunisation clinics or at schools, and employ nurses to provide them. For example, in 2009-10, Hobart City Council employed two registered immunisation nurses as part of its Environmental Health Unit (Hobart City Council 2010). Across the State, councils provide 12 per cent of vaccinations to children (87 per cent are vaccinated by GPs) (SCRGSP 2011a).

## **F.30 Child health services in the Northern Territory: The role of the Territory Government**

The Northern Territory Government, through the Department of Health and Families, contributes to the health of children through various services offered by government and non-government providers in a range of settings (such as community care centres, rural health centres and clinics) (DHF NT 2010).

Improving Indigenous health and the wellbeing of families is a priority area for the Department of Health and Families, and is reflected in the Five Year Framework for Action. This includes work with the Australian Government and the Aboriginal Medical Services Alliances Northern Territory to reform the Northern Territory Aboriginal Primary Health Care system.

The Northern Territory Government is currently developing an Early Child Development Plan. Included among its priority areas is the Healthy Children and Young People in Safe and Strong Families project for Northern Territory Growth Towns. It encompasses integrated early childhood services that include health, education and family support (DHF NT 2010).

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## Licensing, monitoring and enforcement

The Northern Territory Government has a limited role in licensing, monitoring and enforcement within the child health area.

## Funding and provision

The Northern Territory Government, through the Department of Health and Families, provides numerous health services to children, including:

- postnatal home visits — offered to mothers after early discharge from hospital and include support, education and information on issues ranging from breastfeeding to family relationships. These are provided through community health care centres (DHF NT 2011a)
- free oral health services to children — provided to infants, and pre-primary school children
- free oral health services to Indigenous children — 3900 oral health services were provided in 2009-10 through the Closing the Gap program funded by the Australian Government
- Northern Territory Infant Feeding Guidelines — for mothers and caregivers in remote communities
- childcare services nutritionists — offer nutrition education and meals to children in ECEC facilities
- Healthy Under Five Kids Program — providing child health services to Indigenous children in remote communities, under the Maternal, Child and Youth Health program
- Darwin Midwifery Group Practice (MGP) — providing pregnancy, birth and postnatal care to remote Indigenous women, also under the Maternal, Child and Youth Health program
- Growth Assessment and Action (GAA) checks — for infants and children under five years who are assessed regularly as part of the Remote Health strategy
- immunisation program — including immunisation of children as part of the Remote Health strategy and broader Child and Family Health Nursing Services
- Outreach Audiology and ear, nose, throat service — targeted support to improve hearing in Indigenous children
- other support includes the Aboriginal Child Health Advisory Group that guides research and program agendas to improve child health across the Northern Territory (DHF NT 2010).

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### **F.31 Child health services in the Northern Territory: the role of local government**

Local government in the Northern Territory has a limited role in the provision of child health services. For example, MCH services delivered in the Palmerston Community Care Centre are provided and managed by the Northern Territory Government (DHF NT 2011b).

### **F.32 Child health services: the role of the ACT Government**

The Child, Youth & Women's Health Program within the ACT Health Directorate offers universal health services to children and their families.<sup>22</sup> The Community Services Directorate is also involved in the provision of child health services, through Therapy ACT, Disability ACT and three Children and Family Centres.

#### **Licensing, monitoring and enforcement**

As is the case in other jurisdictions, child health practitioners in the ACT must comply with the national requirements of the relevant licensing board (such as AHPRA for nurses). MCH nurses working in the ACT are required to be registered nurses and hold postgraduate qualifications in child and family health.

#### **Funding and provision**

MCH nurses offer health checks to all children in the ACT, beginning soon after birth. Services can be accessed by appointment or at drop-in child health clinics. The first appointment, at 1–4 weeks after birth, is done at home. Vulnerable families are offered more intensive home visiting programs under the Parenting Enhancement Program. Nurses visit preschools to provide an additional health screening before children start school, and also provide school-based nursing services such as immunisations.

Nurses can refer families to a range of other health checks that are provided by ACT Health, including vision and hearing screening and asthma support. Families who need additional support with their child's feeding, sleep or behaviour can be

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<sup>22</sup> In March 2011, the ACT Government restructured its departments into a single ACT public service agency, comprising nine directorates. As a result, ACT Health became part of the Health Directorate (ACT Government 2011).

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referred to the QEII Family Centre, which offers a residential service (ACT Health nd). Community health centres also provide about 40 per cent of childhood vaccinations in the ACT (SCRGSP 2011a).<sup>23</sup>

Allied health services, such as speech pathology and physiotherapy, are available to children up until school age through drop-in clinics run by Therapy ACT, a unit within the Community Services Directorate. Therapy ACT also offers specific services for children with autism spectrum disorders (DHCS ndc). Families of children with additional needs can access services and support through Disability ACT (DHCS ndb).

### **F.33 Family support services: the role of the Australian Government**

The Australian Government supports families and children by funding a range of support services. The Family Support Program is administered by the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA).

From July 2011, the Australian Government will implement a new structure for the Family Support Program, which will comprise two streams: Family and Children's Services (for which FaHCSIA has policy responsibility) and Family Law Services (for which the Attorney-General's department has policy responsibility). The Family and Children's Services will comprise four service types: Communities for Children services, family and relationship services, specialist services, and community playgroups (FaHCSIA ndc). Funding for the Family and Children's Services stream of the Family Support Program from 1 July 2011 to 30 June 2014 is \$588 million.

Prior to the implementation of the new structure, the program was delivered through two main streams.

- Family Relationship Services, which aim to improve family functioning, particularly for disadvantaged or at-risk families. In 2010-11, government expenditure on these services was expected to reach \$105.2 million.
- Children and Parenting Services, which are targeted support services for parents and children at risk or in disadvantaged communities, to improve child development. The budgeted expenditure on these services in 2010-11 was \$86.4 million (FaHCSIA 2010f).

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<sup>23</sup> This is a very high proportion compared with the national average, which stands at 8 per cent (SCRGSP 2011a).

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The program includes a number of early childhood development services.

- Communities for Children — delivers prevention and early intervention programs for families with young children at 49 sites (including 8 Communities for Children Plus sites) across Australia. At each site, the Australian Government funds non-government organisations to act as facilitating partners that engage state government, local government and smaller local organisations to deliver a range of activities (FaHCSIA nda).
- Invest to Grow —includes a variety of projects aimed specifically at younger children, including Child Care Links. Child Care Links aims to improve the health and wellbeing of young children by developing childcare centres and community services in disadvantaged areas as community hubs. These aim to link families with young children to local support services and to strengthen community networks. Invest to Grow also supports the Raising Children Network website, which provides information for parents of young children (FaHCSIA ndb).
- Playgroups — supported by the Australian Government since 1975. There are over 8500 playgroups in Australia, providing informal settings for interaction for parents and children. This includes supported playgroups for Indigenous children and children with additional needs. Playgroups are facilitated either by the parents, or by paid coordinators in the case of supported groups (FaHCSIA ndf).
- Indigenous Children Program — supports a number of initiatives focusing on Indigenous children. Services are delivered by local organisations at 46 sites. They generally include parenting advice and support, referral services, home visits and playgroups (FaHCSIA nde).
- Responding Early Assisting Children (REACH) — aims to improve access to support services and encourage at-risk and vulnerable families to engage with their community through collaborative approaches. The Australian Government funds 40 REACH projects that provide assistance to children with additional needs and their families via early intervention services, home visits and parenting programs (FaHCSIA ndg).

In addition to the FaHCSIA programs, DEEWR funds the Home Interaction Program for Parents and Youngsters (HIPPY). HIPPY offers a mainly home-based parenting and early education program. The Government committed \$32.5 million over four years to the program (DEEWR nde).

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## **F.34 Family support services in New South Wales: the role of the State Government**

The Community Services agency of the Department of Human Services is responsible for funding and providing a wide variety of family support services. In 2009-10, Community Services provided over \$25 million to over 450 different programs and services for families with young children, including parenting programs, phone helplines, playgroups and early intervention services.

The key strategies guiding the State Government's involvement in this area are Families NSW and Keep Them Safe (section F. 18).

A number of family support initiatives are included under Families NSW.

- Triple P — the Positive Parenting Program (Triple P) is designed to support parents with children between 3 and 8 years of age, via group sessions or personal consultations. The program is being rolled out across New South Wales and 900 practitioners were trained to deliver sessions. A specific version of Triple P has been tailored to Indigenous communities (Community Services NSW 2010a). The State Government has allocated \$5.2 million to complete the Triple P roll out (Families NSW 2009).
- Volunteer Home Visiting — home visits are available to parents of babies and toddlers, to offer advice, information and support (Families NSW 2009).
- Aboriginal Child, Youth and Family Strategy — the strategy offers prevention and early intervention services to 0–5 year-old Indigenous children and their families. These may include parenting programs, supported playgroups, transition to school and other activities. The New South Wales Government plans to build nine integrated Aboriginal child and family centres, commencing in 2011 (Community Services NSW 2010a).
- Early Intervention Family Support — the program is designed for CALD families, with a specific focus on those with children under two years of age.
- Schools as Community Centres — Families NSW along with the Department for Education and Training have been developing 48 schools as community centres to support families with young children. Activities at the schools may include supported playgroups, transition to school programs, and parenting workshops (Families NSW nd).

The Keep Them Safe program highlights early intervention and prevention services. The program allocates funding to support services for children and families, as well as expanding the Brighter Futures program. Brighter Futures has been operating since 2002 and is delivered by Community Services in partnership

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with 14 non-government local lead agencies. It offers support and assistance to vulnerable families with 0–8 year-old children, through case management, home visiting, parenting programs and children’s services for families. In 2009-10, Community Services spent \$47.6 million on the program, which was accessed by more than 3500 families.

The Aboriginal Intensive Family Based Service (IFBS) is a more intensive program for children who are about to enter out-of-home care. It operates at six sites, and another four will be added as part of the Keep Them Safe strategy (Community Services NSW 2010a).

### **F.35 Family support services in New South Wales: the role of local government**

Local government’s involvement in family support services varies across New South Wales. All councils are required by law to develop a social plan that assesses the needs of the community and specific target groups, including children, and sets out council’s response to those needs (DLG 2002). Guided by their social plans, councils support services provided by State Government and non-government organisations. For example, the City of Ryde has developed the Ryde-Hunters Hill Child and Family Interagency, which links together representatives from State Government departments and non-government organisations to improve outcomes for children and families living in its jurisdiction (City of Ryde nd). Holroyd City Council coordinates a transition to school program and a playgroup for children with additional needs (Holroyd City Council nd).

### **F.36 Family support services in Victoria: the role of the State Government**

There are numerous program guidelines for the family support sector in Victoria, such as the In Home Support for Aboriginal Families Program Guidelines (currently under revision) (DEECD 2007) and the Best Start in Action Project Guidelines 2005. Services that support children with additional needs are also guided by specific program standards. In addition, some professions, such as social workers or allied health professionals, may require specific qualifications and registration.

The Victorian Government funds family support programs, and is also involved in providing a limited number of services. Key initiatives include:

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- the Parenting Services program — includes information and resources to parents and professionals, referrals and coordination services to promote the independence and healthy development of families with children
  - a telephone service (Parentline) — provides an access point for information, advice and referral on parenting issues for parents and carers. This service is provided directly by DEECD (DEECD 2010m)
  - the Aboriginal Children and Families, In Home Support program — provides intensive parenting and other support for Indigenous families with children under three years of age
  - the Best Start program — aims to bring together families and service providers, including early childhood services, local government, family and health services and others.

The Victorian Government funds a range of services that support children with additional needs. The Signposts program, an early intervention parenting skills development program, aids families with children with an intellectual disability or developmental delay. Also funded are playgroups and parent groups for Indigenous children and their carers, CALD families, disadvantaged families and children and families affected by disability (DEECD 2010m).

### **F.37 Family support services in Victoria: the role of local government**

Local governments fund the provision of some family support services, such as parenting skills workshops and services for children with additional needs. In addition, councils provide grants, training, planning services and other support to community and not-for-profit groups that deliver family support services (DHS 2007).

A number of local councils provide family support services directly. The services provided include:

- support for parents through workshops and information sessions facilitated by MCH nurses, playgroups and parent groups for vulnerable families (DEECD 2010m)
- specific services for children with additional needs and their carers. Services can vary, but generally include personal care, respite care, transport services, and social support.

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### **F.38 Family support services in Queensland: the role of the State Government**

The Queensland Government provides some family support programs and assistance. This includes a range of services, such as integrated early years centres, and the Newborn and Family Drop-in service (section F.22).

- The Positive Parenting Program aims to prevent severe behavioural, emotional and developmental problems in children by enhancing the knowledge, skills and confidence of parents. Queensland Health provides free information sessions to families (Queensland Health nd).
- The Early Years Health and Wellbeing Program provides services to families of prep-year children with additional support needs at some schools, and helps to build school capacity by supporting vulnerable families to improve their children's health, development and learning outcomes (Community Services Queensland 2009f).
- A range of parenting information sheets support parents in caring for their children (DET Queensland 2008a).

The Queensland Government also funds family support programs, such as those provided by the Benevolent Society in the Cairns Early Years Centre (DET Queensland 2008b).

Support services are also available to families with a young child who has (or is at risk of) significant developmental delay. Services are available for children and may include assessment and strategies to promote the children's learning and development, information sessions, support groups, connections with other services and agencies, as well as information and support for community agencies to promote the inclusion of children with a disability (Community Services Queensland nd).

### **F.39 Family support services in Queensland: the role of local government**

Local government in Queensland has a limited role in the provision of family support services. In some cases, local councils provide services such as the Rural Family Support program available to families within the Barcaldine Regional area (Barcaldine Regional Council nd).

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## **F.40 Family support services in South Australia: the role of the State Government**

SA Health, through the Women's and Children's Health Network, provides most of the universal family support services. Children with additional needs and their families receive assistance through Disability SA. DECD also provide intervention services to disadvantaged families.

There are numerous universal family support services.

- Parent helpline, a phone information service for parents with children from birth up to 12 years of age, provides advice on health and parenting issues, and can refer users to additional services.
- Parenting groups run through the Child and Family Health Centres in the State, provide education and support to parents.
- The Centre for Parenting, provides information and training on parenting issues for professionals working with families, and runs some parenting groups.
- Child health volunteers, who receive training from the Women's and Children's Health Network, offer home visits to support and assist parents (CYWHS ndb).
- Parenting SA, a State government initiative to support parents, offers information resources to parents through a collection of 'parenting easy guides', including guides for Indigenous and CALD families (CYWHS nda).
- The Early Years and Curriculum unit (with DECD that administers the Learning Together @ Home program), provides assistance to disadvantaged families. This includes home visits and workshops (DECS ndd).

The Department for Communities and Social Inclusion, through Disability SA, assists children with significant disabilities and children who have been diagnosed with an autism spectrum disorder. Services include a range of therapies (such as speech pathology and occupational therapy) and counselling (DfC South Australia nd). In addition, the State Government funds a variety of services for children with additional needs and their families. For example, Novita Children's Services, which works with children who have physical disabilities or acquired brain injuries, receives financial support from the Department for Communities and Social Inclusion (Novita 2010).

Families SA works with non-government organisations to assist vulnerable families. Support services include parenting advice, counselling and in-home assistance. Some services are also delivered through Children's Centres (DfC South Australia 2010).

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## **F.41 Family support services in South Australia: the role of local government**

Local governments' involvement in family support services depends on the needs of their community, and generally includes supporting existing projects and community organisations. For example, Burnside City Council supports the local Child Care Links project (funded by the Australian Government). Through the project, the council supports playgroups and parenting information sessions (City of Burnside nd).

## **F.42 Family support services in Western Australia: the role of the State Government**

The Department for Communities provides a range services for families, parents, carers and children. The Department for Child Protection also provides a range of services to support families.

- Parenting WA offers an information, support and referral service to parents and families with children. It provides assistance on how to manage the challenges of parenting and information on child development. Included are workshops, presentations, parenting groups, and individual parenting support. It also includes home visits (in some areas), primarily for parents and carers with children under the age of six, using staff and trained volunteers (DfC Western Australia 2009b; 2010d).
- Parenting WA Line is a phone information service for parents with children from pre-birth to 18 years of age. Information and advice topics include child development, behaviour management, health issues and family relationships (DfC Western Australia 2009b).
- Parenting WA Library provides a free lending service to people seeking parenting information, including people living in rural and remote areas. Items are sent free of charge with a reply paid envelope for return (DfC Western Australia 2009b).
- Best Beginnings is an interdisciplinary home visiting service for families with infants (0–2 years), which aims to improve child health and wellbeing, parent and family functioning and social support networks. The program responds to individual family needs, and comprises a range of professionals including nurses, teachers, social workers and psychologists (DCP 2010a). The program focuses on prevention, through the provision of long-term contact between families and parent support workers.

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- Best Start for Aboriginal Families aims to work with local communities to provide a family-friendly program that provides support for parents, carers and extended families, and prepares under 5-year-old Indigenous children for school. It includes playgroups and activities for young children and their carers, nutrition and health education programs, and early childhood education services (DfC Western Australia 2009b).
  - The Parent Support service is an in-home service designed to help parents take control of behavioural problems in children aged under 15 years (DCP nd).

In addition, the Early Years program supports communities to work collaboratively with various government agencies and non-government organisations to identify their priorities and develop plans to improve the wellbeing of their young children (DfC Western Australia 2010c).

### **F.43 Family support services in Western Australia: the role of local government**

Local government in the Western Australia has a limited role in the provision of family support services. For example, local councils in the Perth area have created a community services network, which provides residents with information on support services (City of Perth nd).

### **F.44 Family support services in Tasmania: the role of the State Government**

The Tasmanian Government provides a large array of family support services. These services are accessed by 21 per cent of parents with children under five years of age, and single parents are typically over-represented. Parents born outside of Australia are significantly less likely to access family support services (SRC 2009).

The Tasmanian Government is in the process of reforming the structure of its family support services. The reforms have changed the structure of both funding and provision arrangements.

Family support services are now primarily provided via Gateway Services and Integrated Family Support Services (IFSS). Gateways provide a single point of contact and assessment for family support and specialist disability support. IFSS work with parents to address children's needs.

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DHHS also funds a number of specific initiatives in the family support area, including:

- Family Choices, which provides respite and recreation options for children with disabilities. Services are delivered by community organisations either through an established centre, in their homes or through youth groups
- The Early Years Parenting Support, which provides funding to community organisations that support vulnerable parents with children under five years of age
- Kids in Mind, which provides specific support to children whose parents suffer from a mental illness (DHHS 2010).

The Department of Education is also involved in providing services to children with additional needs and their families. The Early Childhood Intervention Service supports 0–4 year-old children who have disabilities or other difficulties. The service is provided by teachers, allied health workers and other professionals, through four Early Learning Tasmania centres or by home visits. Specific programs are offered to children diagnosed with autism spectrum disorders and premature infants (DoE Tasmania nda).

## **F.45 Family support services in Tasmania: the role of local government**

Local government in Tasmania has a limited role in the provision of family support services. For example, Glenorchy City Council runs a coordination network that links over 40 providers of child and family support services in the local area. Some councils may provide services to children with disabilities and their families.

## **F.46 Family support services in the Northern Territory: the role of the Territory Government**

The Northern Territory Government, through the Department of Education and Training, provides a range of support services for children with disabilities under its Early Childhood Intervention program. Parents or ECEC staff can refer children to the service (DET NT 2010g).

In addition, the Department of Children and Families provides or funds a range of child and parenting support services. Those services include information sheets for

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parents, safety advice, and Parentline — a confidential telephone counselling service (DCF NT 2011).

The Northern Territory Government provides a range of family support services for Indigenous communities including through its Families as First Teachers — Indigenous Parenting Support Services Program. The child development knowledge component includes family workshops and home visits to strengthen knowledge of child development from birth to three years. The parenting component works to strengthen positive relationships in families including through supported playgroups (DET NT 2011b).

The Maternal, Child and Youth Health (MCYH) program provides support, training and practical assistance to remote health centres and communities and includes parenting and life skills education. It also offers funding to non-government organisations to improve outcomes for women through pregnancy, parenting and life skills education programs (for example, the Core of Life program).

In addition, DHF provides early parenting education through its Strong Women, Strong Babies Strong Culture program to women and girls in remote Indigenous communities (DoH NT 2011; DHF NT 2010).

## **F.47 Family support services in the Northern Territory: the role of local government**

Local government in the Northern Territory has a limited role in the provision of family support services. In some cases, local councils provide services such as Palmerston Council's Strong Mothers program, funded by the Northern Territory Government (City of Palmerston nd).

## **F.48 Family support services: the role of the ACT Government**

A wide range of family support services are provided directly by the Community Services Directorate.<sup>24</sup> The Community Services Directorate also funds non-government organisations to provide family support services, including

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<sup>24</sup> In March 2011, the ACT Government departments were combined into a single ACT public service agency, comprising nine directorates. As a result, the Department of Housing and Community Services became the Community Services Directorate (ACT Government 2011).

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playgroups, parent outreach programs, and counselling. In 2009-10, it spent over \$3 million on funding these programs (DHCS 2010a).

A number of family support programs are provided by the Community Services Directorate, through the Office for Children, Youth and Family Support.

- Child and Family Centres, which support families with young children within their local community. The services offered by the three centres include parenting education programs such as Triple P (section F.34), children's behaviour clinics, supported and targeted playgroups and specific programs for Indigenous children and their families. Midwives, MCH nurses and allied health professionals also operate from the centres (DHCS nda).
- Schools as Communities, which is a program for children and families at risk. Services are provided from preschool and primary school settings, and the Child and Family Centres. Individual case management, group programs for children, parenting support program, information, advice and referrals to additional services are available through this program. (DHCS ndd).
- ParentLink, which is an information resource for families on parenting issues and services available in the community (DHCS ndc).

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# G Referee reports

## Report from Dr. Guyonne Kalb

This report reviews Appendix E on the ‘Modelling the workforce impacts’. This Appendix describes the model and assumptions used in estimating the likely effects of implementing the National Partnership Agreement on Early Childhood Education (NPAECE) and the National Quality Standards (NQS). The aim of Appendix F is to analyse a number of outcomes for Early Childhood Education and Care (ECEC) if the targets of these two policy reforms were realised. The outcomes considered by type of ECEC service are: service quality of the services as measured by the proportion of staff with Certificate III or above; the number of children attending; average cost per child; average out-of-pocket cost of care; number of workers by qualification; average wage per year; source of expenditure. The services distinguished in the analysis are preschools, long day care, family day care, and occasional and in-home care.

In line with my expertise, the focus in this report is on the micro-economic aspects and assumptions of the model, rather than on the specific choice of model used. The assumptions that need to be made are potentially crucial to this analysis and can often not be made with sufficient certainty. The approach taken here of determining a reasonable range for particular relationships, based on the existing literature or own estimates, and then determining the sensitivity of the results to changes in these parameters within these range is an informative and transparent way of dealing with this uncertainty.

Several assumptions need to be made for the estimation and these are clearly laid out in the appendix. Assumptions are made regarding the following elasticities:

- own price elasticity of demand for ECEC services
- wage elasticity of supply of ECEC services by education level
- elasticity of supply of ECEC with regard to childcare costs (since most ECEC workers are female, childcare costs may potentially be a factor in their labour supply decision)
- elasticity of demand for ECEC workers with regard to output (that is, number of children cared for)

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- elasticity of demand for ECEC capital with regard to its own price
  - elasticity of demand for ECEC capital with regard to output.

Three different values are considered for the first two elasticities, and two different values for the third elasticity. The final three elasticities are fixed at one value. Using all possible combinations, 18 scenarios are constructed. This is then combined with two alternative ways of cost-sharing, current cost-sharing arrangements are maintained or government is bearing the full cost, to create 36 different scenarios for which results are presented.

The calculations start with imposing the targets of the two policy reforms on the model by working out what is needed in terms of reaching the targets. The NPA ECE reform requires access to at least 15 hours of preschool services/programs per week by 95 per cent of children in year before compulsory schooling, which comes down to just over 90 000 extra children in these services. The NQS requires increased staff-to-child ratios and qualification requirements in ECEC services. These can be easily represented in the model by increases in the number of staff by qualification.

Based on the 36 scenarios, a range is obtained for each outcome of interest. This is summarised in table E.12 providing a quick overview of results. Although there is a fair amount of variation between the lowest and highest estimated outcome, the ranges are narrow enough to be informative for policy makers. And this result occurs, despite the fact that the chosen ranges in the analysis allow the lowest and highest values of the own price elasticity of the demand for ECEC services and the wage elasticities of the supply of ECEC workers to be quite far apart. Since the analysis is set up in a transparent manner, it is easy for the reader to determine which scenario they would put most weight on given the assumptions underlying it. Furthermore, alternative sensitivity tests are easily carried out should this be required, making this an excellent framework for exploration of the reform in different circumstances, so that a better understanding of the likely effects of the two reforms can be obtained.

## **Report from Dr. Anu Rammohan**

The Australian government is proposing to implement a National Quality Standards (NQS) framework from January 2012, with the stated objectives of raising the qualification levels of early childhood education and care (ECEC) sector, improving the staff-to-child ratios in long day care and increasing the number of children attending pre-school programs. These reforms have considerable resource

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implications, and the aim of this paper is to analyse the potential impact of the proposed policy reforms on the ECEC workforce and on the costs of care.

The mathematical model developed in this paper is a four-sector partial equilibrium model, which is the standard approach used in micro-economic modelling. The model is implemented using aggregate publicly available data from DEEWR and the National Workforce Census (NWC). The variables included in the analysis are the cost of care, the number of children, number of workers and their wages in the ECEC. The paper then uses elasticities from previous Australian studies on childcare to compute household demand for childcare in response to changes in prices. This is relatively straightforward. As acknowledged in the paper, getting a measure of the elasticity of labour supply in response to wage changes is more challenging, because higher educational requirements for workers in this sector mean that, the ECEC sector is effectively competing with other sectors such as nursing or schooling for qualified workers. However, as the authors point out, given the small size of the ECEC sector, these assumptions are easily justified.

To test the sensitivity of the results, thirty-six different scenarios are modelled, reflecting different cost-sharing arrangements between households and government, responsiveness of labour supply to changes in wages, responsiveness of childcare demand to changes in out-of-pocket charges, and for completeness, the authors also model the responsiveness of labour supply to changes in child care costs. They assume that the elasticity of labour supply to changes in childcare costs is zero, since childcare costs are unlikely to directly influence the labour supply decisions of child care workers.

The main results of the analysis presented in tables E.12 and E.16 show that: (i) a relatively inelastic price elasticity of childcare demand will imply that households will bear a higher cost of the reforms, (ii) the wages of childcare workers will increase if labour supply is inelastic, which in other words means that in the face of high demand for childcare, the ECEC sector will need to offer high wages to attract a qualified workforce and (iii) the cost of reforms will be higher if the ECEC worker's labour supply is sensitive to the price of ECEC services.

In my view, the modelling is appropriate and competent, and the results are robust to different scenarios and the results are as expected. The paper reads well and the various assumptions are clearly explained. There are of course other proposed reforms in the higher education sector and intake of skilled migrants that are being considered, and these are likely to have implications for the supply of workers to the ECEC sector. However, these issues are beyond the scope of the current paper.