



Dear Employment Taskforce,

Early Learning Association Australia (ELAA) thanks the Treasury for the opportunity to provide a submission to the Employment Taskforce in Treasury on *The Employment White Paper* that will build on the outcomes from the Jobs and Skills Summit. ELAA will address sections from the terms of reference where we can provide achievable solutions for the Employment Taskforce to consider.

## About Early Learning Association Australia

Early Learning Association Australia (ELAA) is a peak membership association. Our vision is excellence and equity in early childhood education and care. Our diverse membership base includes 630 service providers managing services at over 1,300 locations with more than 15,000 staff caring and educating 70,000 children. Our members are early years management organisations, independent kindergartens, local governments, long day care services, government, and independent schools and out of school hours care programs.

[www.elaa.org.au](http://www.elaa.org.au)

## Introduction

As a peak body and leader in the early childhood education and care (ECEC) sector since the early 1990s, ELAA has evidence-based expertise in how the ECEC sector operates with a particular focus on the not-for-profit community sector. The ECEC sector performs an essential role within Australian industry and society and with focused support can lift our economy by facilitating increased access to parental employment, supporting stronger early childhood development and remediating early disadvantage to support the workforce of the future. This is in addition to providing direct employment to hundreds and thousands of staff, predominately women.

## Terms of Reference

### Sections 1, 3, & 5.2

Increasing labour productivity and incentivising more Australians to work depends heavily upon access to ECEC.

The Grattan institute's report *Cheaper childcare: A practical plan to boost female workforce participation* provides evidence into how an increase in female workforce participation is one of the biggest opportunities for governments. Australian women are more likely to work part-time with an average of 2.5 days per week for women with pre-teenage children, part of which is due to numerous missed opportunities by governments to support the ECEC sector (Wood et al., 2020). One of the biggest barriers to women's inclusion in the workforce is the cost of child care which acts as a barrier for women to re-enter the workforce or to work more days.

Another factor is the challenge Australian parents face to access quality ECEC care for their children. This is especially found in regional and rural areas, with the Mitchell Institute referring to areas without sufficient access to ECEC as child care deserts (Hurley et al., 2022). 35.2% of the population live in regions that are classified as a child care desert. To boost the inclusion of women with children into the workforce, the Employment Taskforce is urged to look at workforce barriers holistically. A boost in ECEC infrastructure and workforce will translate into a boost in female employment, especially considering the ECEC is made up of a majority female workforce (over 92.1% of ECEC workers being female) (The Social Research Centre, 2022).

The activity test assesses eligibility for hours of subsidised child care based on the amount of activity an Australian family does in terms of work, study and volunteering.



The activity test can act as a break on families working more hours. Families who work casually may be challenged to access the hours of care they need, as they cannot afford more hours if it is not subsidised and may not be able to predict their work hours in advance.

The expansion of the activity test to 36 hours for First Nations families in the recently passed Family Assistance Legislation Amendment (Cheaper Child Care) Bill 2022 was welcomed by ELAA. However, given Aboriginal and Torres Strait Islander children are twice as likely as non-Aboriginal and Torres Strait Islander children to be developmentally vulnerable (The Front Project, 2022), the activity test should be removed entirely for Aboriginal and Torres Strait Islander families, as well as extended to at least two days a week for the most vulnerable members of the Australian population. ELAA urges the Employment Taskforce in Treasury to consider the benefits and equity that an activity test extension will bring to Australia's workforce and wellbeing economy.

## Section 2.1.

Australian Bureau of Statistics (ABS) data demonstrated that between 2011-2016 child care was listed as the ninth most in demand job, since then it has moved to the fourth most in demand job from the 2021 ABS data (Salt & Kuestenmacher, 2022). For the ECEC sector to remain sustainable, it must have sufficient funding to ensure access to a well trained workforce. There has been a considerable investment from both the Victorian and Commonwealth government to improve ECEC access for families, however this funding has not been targeted sufficiently to ensure commensurate workforce growth.

The ECEC sector can be a part of a "caring" economy (Lamb & Huo, 2017) in addition to one that is focussed on economic growth. It has a long-term wellbeing impact on Australian society. ECEC has multiple dividends. It enables parents to return to the workforce, which boosts the economy, and it also has educational and wellbeing impacts. These wellbeing impacts support stronger educational outcomes for Australia's most vulnerable members and create a reduction in their reliance on other areas of the welfare system, which in turn has significant economic benefits (Jones et al., 2021).

## Section 3.

Pay and conditions are a pivotal issue impacting the ECEC sector's ability to retain staff for a considerable tenure. This impacts the quality of ECEC care for Australia's youngest population as there is a limited level of sector mentorship and experience. Service providers often need to employ new graduates and less skilled workers to meet ratio requirements (Torii et al., 2017). However, there are workable solutions that could be drawn upon at scale. The Victorian Early Childhood Teachers and Educators Agreement (VECTEA) and its predecessor agreements have been a principal feature of the industrial relations landscape for not-for-profit early education for over 20 years. The VECTEA provides beneficial wages and employment conditions for educators and teachers in Victorian kindergarten programs. It is funded by a Victorian government supplement that ensures that salaries for teachers, for example, are aligned with the school sector. Retention rates for teachers under this agreement are higher than under the award, and staff regularly leave long daycare to work in a kindergarten given the superior pay and conditions.

Access to co-funding by both state and federal governments would ensure teachers and educators could be paid a wage comparable to the school sector regardless of whether they work on a kindergarten or long daycare centre. It would support retention and help to grow the workforce to meet parent demands. It is also consistent with gender equity principles by ensuring staff who are trained similarly to their school-based peers receive a commensurate income.



## Section 5.3.

The ECEC sector has a large number of students in training, but a low completion rate which may be partially attributed to wages and conditions. Within the sector, there are concerns that many new graduates lack the skill base and practical understanding to meet the needs of a wide diversity of children enrolled. Investment in upskilling the current ECEC workforce, can be improved through co-government funding into micro credentials and mentorship programs. These initiatives have the potential to support workforce knowledge and capacity and enable new educators to learn from experienced professionals, as well as to build the leadership capability of the existing workforce. Additional cultural awareness and inclusion training can help ensure ECEC environments are culturally safe for Australia's multicultural and Indigenous populations, and that services can support the increasing cohort of children with additional needs.

## Recommendations

- That the Federal Government commits to co-funding teacher and educator wages in early childhood education and care, to match school sector wages to improve quality, attraction, and retention, and reduce the sunk costs of workforce training due to high turnover.
- That the government invests in ongoing professional learning to build the capacity and diversify the skill base of the ECEC workforce, and to support more culturally aware and inclusive services.
- That the activity test that limits access to subsidised early childhood education and care be amended to ensure vulnerable children can benefit from the lifelong benefits of ECEC and to boost long term economic productivity
- That the Federal Government implements a planned approach to managing ECEC markets to ensure access and quality, including building and funding quality services in areas of high need and low provision (child care deserts).



## References

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