



Rural and Remote ECEC in Victoria

Submission to the
Productivity Commission Inquiry
Early Childhood Education and Care (ECEC)

May 2023

Contact: Ms. Jo Martin, Executive Officer By Five



About us

By Five Wimmera Southern Mallee (WSM) Innovation and Equity Hub is a place-based early years initiative with a laser focus on ensuring all WSM children succeed in learning and life. The **North Central LLEN** (NCLLEN) is a for-purpose organisation working in partnership with government, service sector, community, philanthropy and business to support children from cradle-to-career to thrive.

Rural and **remote** children have disproportionately higher rates of developmental vulnerability when compared to urban children and do not get the same start in life due in part to inequitable access to Early Childhood Education and Care (ECEC). We are driven to change and improve the future of rural children and communities.

By Five and **NCLLEN** would be delighted to host a Productivity Commission stakeholder meeting in Rural Victoria and provide an opportunity to meet with families and communities with first-hand experience of the limitations of the current ECEC policy settings.

About this submission

This submission has been prepared on behalf of an ECEC working party covering three regional partnerships across Western Victoria and in consultation with and Rural Councils Victoria. This submission is endorsed as a reflection of their position in relation to sustainable ECEC solutions for rural and remote communities across Victoria.



Rural Councils Victoria



Rural Councils Victoria (RCV) represents 35 rural municipalities across Victoria, supporting and promoting strong, liveable, prosperous communities. The RCV catchment is responsible for 79 per cent of Victoria's land mass and a combined population of approximately 822,000 people (Census 2021). Our rural communities are critical to the liveability of Victoria and pivotal in achieving a thriving state economy.

Rural North West Region	Rural North East Region	Rural North Central Region
<ul style="list-style-type: none">• Buloke Shire Council• Hindmarsh Shire Council• Northern Grampians Shire Council• Swan Hill Rural City Council• West Wimmera Shire Council• Yarriambiack Shire Council	<ul style="list-style-type: none">• Alpine Shire Council• Benalla Rural City Council• Indigo Shire Council• Mansfield Shire Council• Mitchell Shire Council• Moira Shire Council• Murrindindi Shire Council• Strathbogie Shire Council• Towong Shire Council	<ul style="list-style-type: none">• Campaspe Shire Council• Central Goldfields Shire Council• Gannawarra Shire Council• Loddon Shire Council• Macedon Ranges Shire Council• Mount Alexander Shire Council
Rural South Central Region	Rural South West Region	Rural South East Region
<ul style="list-style-type: none">• Borough of Queenscliffe• Golden Plains Shire Council• Hepburn Shire Council• Moorabool Shire Council• Pyrenees Shire Council	<ul style="list-style-type: none">• Ararat Rural City Council• Colac Otway Shire Council• Corangamite Shire Council• Glenelg Shire Council• Moyne Shire Council• Southern Grampians Shire Council	<ul style="list-style-type: none">• East Gippsland Shire Council• South Gippsland Shire Council• Wellington Shire Council

Background

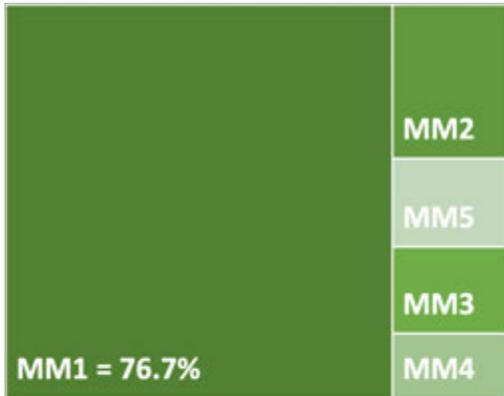
We have considered a range of literature and evidence to identify **Five Domains** impacting on the quality and accessibility of ECEC in rural and remote Victoria. We note:

- This work is primarily focused on Small Rural and Remote Victorian communities as identified through the Modified Monash Model 2019 (MM 5 & 6).
- We have identified opportunities to support the provision of centre-based day care (CBDC) for towns and communities with populations between 500 - 1500; and a need for bespoke solutions for populations less than 500.
- The role of family day care (FDC) in rural and remote communities has decreased dramatically over the last decade.
- The proposed Victorian policy changes in the ECEC landscape with the introduction of 15 hours of three-year old kindergarten and 30 hours of four-year old pre-prep.
- The data and findings from the 2021 Child Care Package Evaluation (Bray et al, 2021); data from the National Quality Register (www.acecqa.gov.au) and findings from a range of consultation, research and business planning documents produced in Northwest Victoria (see reference page).

The Issue

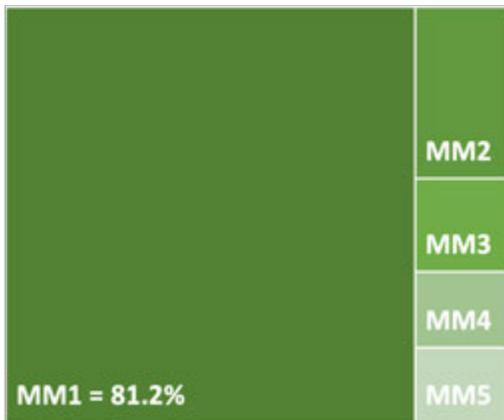
Not all children get the same start in life. Up to **one** in **three** children across Rural Victoria start school developmentally vulnerable. **Equitable access to high quality ECEC is critical** to addressing intergenerational cycles of disadvantage.

Children aged 0-5

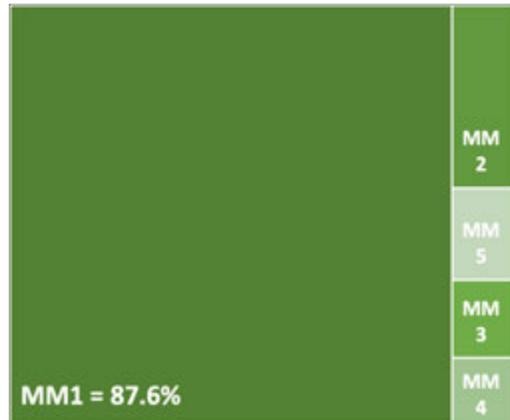


In Victoria, 76.7% of children live in metropolitan areas, where 81.2% of centre based long day care places are located, and 87.6% of places exceeding the national standard are located. *Data: Census 2021, National Register Mar 2023, Modified Monash Model 2019*

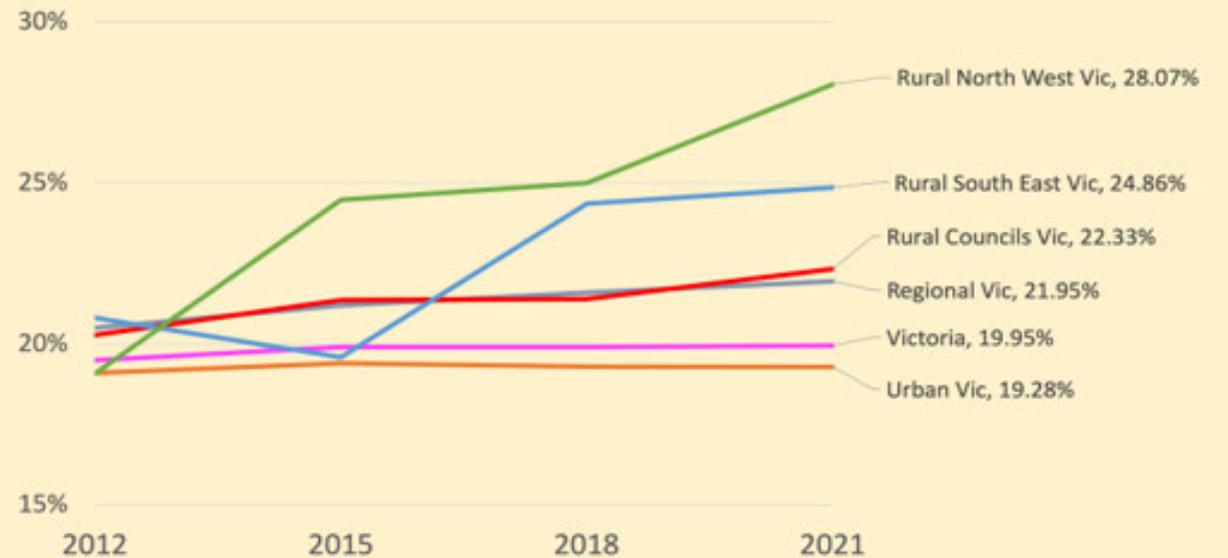
Registered Places CBDC



Places exceeding the standard



AEDC 2021: Vulnerable on one or more domains (%) 2012 – 2021, Victorian LGA Data
Includes % vulnerable on one or more domains in 2021



In Victoria, early childhood outcomes as measured by the AEDC (Australian Early Development Census) have worsened for children in rural local government areas, this is particularly stark in the rural north-west and rural south-east, Victoria's most remote local government areas.

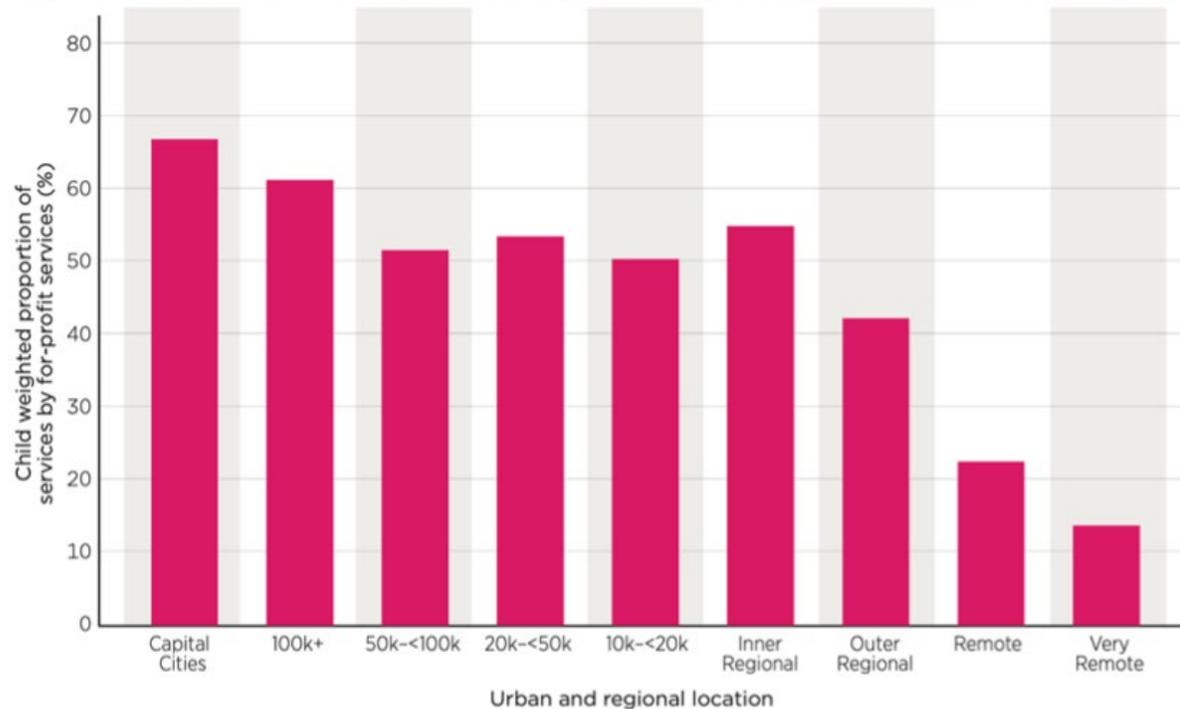
“...Analysis indicates that there is a concentration of the highest quality services in the major urban areas relative to regional locations and, in particular, remote, and very remote areas. While there is some variation in the pattern of fees by the quality rating of services, this varies by sector and by service type. It is most marked for not-for-profit Centre Based Day Care services where the average hourly fee charged by services rated as Excellent or Exceeding, of \$10.48, is well above the \$9.69 charged by the much smaller group of services rated as Working Towards.” (Bray et al, 2021, p21)

The Market Model

Thin markets in rural and remote towns are not attractive to ECEC providers seeking to operate a viable service, this includes rural councils with small populations across large areas, which don't have the infrastructure, skills or rate base to step in when the market fails.

ECEC workforce difficulties are compounded in rural and remote areas, local training is difficult to access, and quality is variable. ECEC services are often forced to close or run modified programs under waiver conditions due to illness as there are no relief staff available and reliance on individuals. These variants impact on social and educational outcomes for children along with financial, social and economic impacts for families, local businesses and communities.

Figure 140: Proportion of services (child weighted) that are for-profit by urban and regional location, Q4 2019



Note: See note on Table 6 for a description of the urban and regional location variable.
 Source: DESE administrative data

Chart sourced from Bray et al, 2021, p289

CHILDCARE

UNDERSTANDING THE WIMMERA SOUTHERN MALLEE STORY

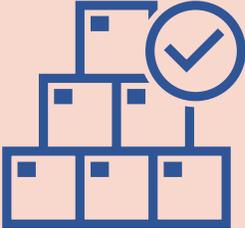
ACCESS		
Waitlists in 11 of 13 WSM centres Demand exceeds supply in 85% of the WSM childcare centres.	300 children waiting Approximately 300 children across the WSM are waiting for childcare positions.	5 towns with no childcare 5 out of 14 WSM towns with populations over 500 people do not have childcare
CHALLENGES		
Supply is impacted by workforce and infrastructure. Workforce Infrastructure	84 ECEC staff are needed 84 staff are required to meet the known ECEC demand across the WSM. Centres have 34 current job vacancies.	No agency has responsibility No government or bureaucratic authority is responsible for building, developing and providing childcare services.
PRESSURES		
All centres have staff in training 100% of WSM centres have staff currently in training.	High staff turnover WSM Centres report high staff turnover is due to low pay, lack of pay parity, conditions and paperwork.	Families are unable to work 65% of families reported experiencing employment restriction due to lack of access to childcare.
<small>The information in this report has been sourced through desktop study and interviews with WSM ECEC Directors, staff, families, Early Years Managers, Training providers and State Government. The information reflects a snapshot of WSM ECEC June-August 2022. Stand alone kindergartens, occasional care and out of school hours care are not included in this report. This report explores the availability and pressure points of ACECQA approved centre based long day care in the 14 WSM towns with population over 500 persons.</small>		
<small>w: https://www.wda.org.au/services/byfive</small>	<small>e: sally.marcroft@wda.org.au</small>	<small>t: 0422 587 302</small>

Marcroft and Martin, 2022, p6

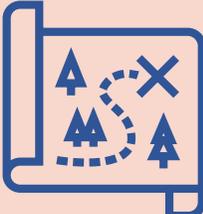
Domain 1: Children and Families at the centre of the model

Aim	Objectives	Opportunity
<p>ECEC in Rural and Remote communities is recognised primarily as a child rights issue.</p> 	<p>ECEC to support child development</p> <ul style="list-style-type: none"> • All ages (0 to school entry) • All abilities • Focus on the needs and inclusion of vulnerable children 	<ul style="list-style-type: none"> • A structural change to policy with an explicit focus on child development and education, addressing vulnerability and disadvantage. • Address concerns that the current policy focus on the two years before school may erode the system’s ability to ensure vulnerable children aged 0-3 are able to access services, due to workforce or infrastructure pressures. • Ensure rural and remote services are accessible to children of all abilities and neurological diversity. The 2021 Child Care Package Evaluation (Bray et al 2021) identifies many services exclude children with additional needs. • Implement and evaluate initiatives known to improve inclusion and participation of vulnerable children.
<p>ECEC is recognised as an essential support for families, underpinning the economic life of Rural and Remote towns across Victoria.</p>	<p>ECEC to support adult participation</p> <ul style="list-style-type: none"> • Participate in work and education • Ensure small communities can leverage the human resources they need to thrive • Address the needs of vulnerable families and children 	<ul style="list-style-type: none"> • Address deficiencies in the market model which is inadequate to the needs of rural and remote communities leading to ‘Childcare Deserts’. Most childcare deserts are in communities most vulnerable to poor outcomes for families and children. • Reorient the subsidy model, consider entitlements or guarantees to ensure funding reaches families in rural and remote communities. • Adapt or eliminate participation requirements (the activity test) and increase minimum approved hours for rural and remote areas, participation requirements create inequity, make the system difficult to navigate and impact mainly on vulnerable children and families. • Ensure policy to support adult participation aligns with parental/family leave policy.

Domain 2: Quality and Workforce

Aim	Objectives	Opportunity
<p>The workforce and quality assurance system ensure ECEC delivers improved outcomes for children</p>	<p>Quality: Quality in rural and remote services is at least equal to quality in metropolitan areas</p>	<ul style="list-style-type: none"> • Acknowledge that only high-quality early education delivers substantial and sustained benefits for children, particularly for those experiencing disadvantage. • Support purpose-based governance for quality ECEC in rural and remote communities. • Adapt funding models to reflect the full cost of achieving high-quality in disadvantaged contexts including rural and remote locations. • Implement and evaluate initiatives known to improve quality and ensure ongoing and regular quality assurance activities are in place. • Implement proven workforce training and incentive initiatives as the key driver of improved quality.
	<p>Workforce: A sufficiently sized and capable workforce supports provision of a sufficient standard of quality</p>	<ul style="list-style-type: none"> • Implement workforce incentives targeted at attracting new workers and re-engaging the latent workforce to rural and remote including: <ul style="list-style-type: none"> • Above award conditions – estimated at 25% increase on awards • Housing and relocation expenses • Bonded training opportunities • Clear career progression opportunities • Long term contracts. • Provide networked professional development and scaffolding including mentoring and support at all levels. • Address concerns about the quality and variability of vocational training. • Consider opportunities to align pay and conditions with school education

Domain 3: Accessibility and equity for all children

Aim	Objectives	Opportunity
<p>Policy for ECEC ensures resources are allocated in a way that achieves equity of outcomes for rural and remote communities</p> 	<p>Geographical: Flexible to geographical challenges in funding arrangements and operating requirements</p> <p>Financial:</p> <ul style="list-style-type: none"> • Fair and equitable • Sustainable • Responsive • Transparent • Efficient • Accountable 	<ul style="list-style-type: none"> • Adapt funding to reflect the full cost of achieving high-quality in rural and remote communities, consider a geographical premium to the hourly rate cap. • Consider adaptive or hybrid funding solutions including funding guarantees, individualised, block based and programmatic funding. • Acknowledge thin markets exacerbate other problems for inclusion and engagement, develop programmatic solutions including those that provide opportunities to: build trust with families, remove practical barriers (ie transport and administrative complexity), and provide navigation / connections with other services (see also model of delivery). • Adapt operating requirements for communities with seasonal needs and considerable fluctuations in population/births. • Consider adopting the Modified Monash Model to target funding and incentives. <ul style="list-style-type: none"> • Ensure the system is characterised by proportionate universalism with funds directed to achieving equity of outcomes. • Reorient funding to flow on an entitlement basis so communities can build a case for services that meet their needs rather than a minimum number of enrolments. • Guarantee block funding for new services in limited supply areas for a minimum period (5 years) to ensure new services have every opportunity to demonstrate operability and continuity. • Review resources flowing from the Community Childcare Fund (competitive and non-competitive) with a focus on equity rather than history. • Prioritise financial support for community partnerships and integrated and co-located models in limited supply areas and where there is market failure, enabling resource efficiency (human, physical, financial).

Domain 4: Model of delivery

Aim	Objectives	Opportunity
<p>Local governance ensures resources and effort are coordinated and responses are tailored to local needs and opportunities.</p> 	Community governance is supported	<ul style="list-style-type: none"> • Acknowledge the market model is ineffective in rural and remote locations and prioritise policy that supports innovation through local governance and decision making. • Leverage state run early childhood education and child and family centres as demonstration sites including support for workforce development.
	Infrastructure is fit for purpose	<ul style="list-style-type: none"> • Facilities must be fit for purpose and the community needs to be involved in the location and design, where relevant, modular builds and existing school buildings and other community infrastructure may be suitable.
	Integration and co-location	<ul style="list-style-type: none"> • Orient the focus to prioritise models where governance and employment (including awards) are integrated with schools and/or other community assets. • Policies to integrate State provided preschool education and centre based day care funding to ensure the system is more seamless for families and children.
	Community are key stakeholders	<ul style="list-style-type: none"> • Decisions regarding the location of facilities, design of buildings and services to be provided are made in partnership with families and community to ensure they are fit for purpose and changing needs over time.
	Patterns of use adapted to the needs of regional communities	<ul style="list-style-type: none"> • Develop funding arrangements that enable services to adapt hours to suit the working population and meet the criteria for a range of funding sources including the two years before school to enable more sustainable financial models. • Use existing data to develop funding models for new services in limited supply areas based on patterns of use established in the industry and ensure financial support is provided for guaranteed periods (suggest 5 years).

Domain 5: Leadership including system stewardship

Domain	Objectives	Opportunity
<p>The objectives of the ECEC system are widely known and supported</p> 	<p>Service and community leaders empowered and enabled to develop local models with local people.</p>	<ul style="list-style-type: none"> • Communities and local policy makers are empowered to be innovative and develop models that are not constrained by silos and funding streams. • Funding and support is in place to attract leaders to the sector to generate the preconditions for change through community partnerships. • Communities of practice to share challenges and what is working well. • Leaders are resourced with rich and current data to support decision making. • Appropriate pay and conditions are in place for service leaders, including professional supervision to support the inclusion of vulnerable families.
	<p>System stewardship</p>	<ul style="list-style-type: none"> • A national strategy for ECEC and mandate for change is in place. • Government, funders and the authorising environment have a shared focus on resourcing and enabling the ECEC sector to deliver outcomes (not monitoring and precluding).

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