



**Productivity Commission
Draft Research Report:
Early Childhood Development Workforce**

**Submission by the Department of Education, Employment and
Workplace Relations**

September 2011

The Department of Education, Employment and Workplace Relations (DEEWR) welcomes the release of the Productivity Commission's Draft Research Report on the Early Childhood Development (ECD) Workforce. The final report will be a valuable input into the development of ongoing strategies to support early childhood development, and into the finalisation of the National Early Years Workforce Strategy with state and territory governments. DEEWR provides the following response to the draft report.

The draft report recognizes the important role of the ECD sector in contributing to the positive early life outcomes of young children in Australia. It also sets out the wide range of existing reforms the Government is implementing in Early Childhood Education and Care (ECEC) with the aim of providing every child the best start in life.

In commenting on the Commission's findings and recommendations, DEEWR wishes to highlight key elements of the reform agenda the Government already has in place to build a highly skilled, professional early childhood workforce that supports the health, learning, and development of all Australian children.

The framework for achieving these reforms includes three key National Partnerships that have implications for the early childhood workforce:

The National Quality Framework for Early Childhood Education and Care established under the National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care requires that, by 1 January 2014, all staff working directly with children in Long Day Care, preschool and Family Day Care services have (or are actively working towards) at least a Certificate III qualification in children's services and that at least 50 per cent of educators in long day care and preschool services have (or be actively working towards) a Diploma level qualification in children's services. Also by 1 January 2014, there will be a requirement for an early childhood teacher to be working in preschool and long day care settings and all Family Day Care coordinators to have an approved Diploma qualification or above. By 1 January 2020, a requirement for a second early childhood teacher will come into place for services with 60 or more children. Improved staff to child ratios will also be progressively introduced between 2012 and 2016.

Under the National Partnership Agreement on Early Childhood Education, the Australian Government is providing \$955 million to states and territories over five years so every child will have access to quality early childhood education delivered by a four year degree-qualified teacher in the year prior to full time schooling by 2013.

Under the National Partnership Agreement on Indigenous Early Childhood Development the Australian Government is providing support for States and Territories to construct 38 Children and Family Centres in areas of significant Indigenous population that will provide integrated services to children and their families. Additional elements of the National Partnership provide for increased access to antenatal care, health programs and for increased access and use of maternal and child health services by Indigenous families.

These reforms will increase the demand for qualified early childhood workforce staff. The reforms have been designed in a way that allows the workforce to respond to new requirements over a period of time. In particular, new qualification requirements under the National Quality Framework will be phased in over several years so that the sector has time to adjust.

More specifically, the transitional arrangements to support the phasing-in of the new quality standards include:

- staggering the implementation of the nationally consistent educator-to-child ratios over a total period of 10 years, with the requirement for a second early childhood teacher or other suitably qualified leader in larger services not taking effect until 1 January 2020
- 'grandfathering' of some existing provisions, especially in Queensland with respect to ratios, but also with respect to recognition of existing qualifications
- conducting a review in 2013 on progress towards meeting the qualification requirements due to come into effect on 1 January 2014.

The National Partnership on Early Childhood Education also allows for reasonable transitional arrangements—including potentially beyond 2013—to implement the commitment to preschool program delivery by four year university qualified early childhood teachers

While there is still a significant task ahead to improve the skills of the early childhood workforce to ensure that they provide the best possible care to our children, the National ECEC Workforce Census released on 29 June 2011 includes some positive findings in relation to the workforce required to deliver these reforms.

The Census data shows that there have been increases in the proportion of workers in the industry with a relevant qualification in recent years:

- over two thirds of ECEC staff across the sector hold a qualification at Certificate III or above
- 78 per cent of staff in Long Day Care have an ECEC qualification
- teachers in preschool services are three times more likely to have four year degrees than three year degrees
- over one-third of the ECEC workforce is studying in an ECEC related field
- over one quarter of paid contact staff who have contact with children have ten or more years of experience in the sector.

The Government already has in place a number of initiatives to increase supply and qualifications of early childhood workers, including:

- \$115 million to support existing child care workers, to gain a Diploma or Advanced Diploma in children's services through the National Partnership on TAFE Fee Waivers for Child Care Qualifications
- \$53.9 million for 1500 additional ongoing university places for students wishing to undertake early childhood education qualifications

- Funding to reduce by about half the HELP debt of early childhood teachers working in high areas of need (\$12.4 million), and the HELP debt of education and nursing graduates, including early childhood education graduates (\$83 million).
- A new initiative in the 2011–2012 Budget to support the Recognition of Prior Learning for early childhood workers (\$9.2 million).

In the 2011–12 Budget, the Government announced significant funding to support the national training system to respond to Australian industries' skills and workforce development needs. The *Building Australia's Future Workforce* package provides \$3 billion over six years. It includes measures that will be of particular benefit to the ECEC sector.

From 2012, Australian public universities will decide how many places they offer and in which disciplines, allowing them to respond to student demand for particular courses, including early childhood education. Under this demand driven system, the Australian Government will provide its funding contribution for every domestic student enrolled in an undergraduate course of study

With this major investment, significant progress is being made in assisting the early childhood sector to meet the new workforce requirements.

In order to assist the Commission in shaping its final report, DEEWR has provided a response below to a number of the draft findings and recommendations for the Commission to consider and address in its final report to Government in October 2011.

COMMENTS AND RESPONSE TO DRAFT FINDINGS AND RECOMMENDATIONS

Chapter 1 - Introduction

DEEWR agrees that it is important to consider the experience overseas of countries also working on key reforms in the early childhood sector. In Box 1.1, *Lessons from other countries' experience*, it would be also useful to note that the overseas contexts are not always analogous to the Australian context, and so any differences in experience of implementing reforms need to be considered in that light.

Chapter 2 - The early childhood development sector

The data discussed and analysed in Chapter 2 (see for example on p.17 the section titled 'Early childhood education and care: more children, more places') focuses only on some sections of the ECEC sector (mainly all services except for preschool). DEEWR suggests that it would be helpful to state more precisely what sections of the ECEC sector the data refers to rather than attributing it to the ECEC sector as a whole to avoid potential confusion.

Chapter 3 - Government involvement in the early childhood development sector

By way of clarification, on p35 where the Commission notes that: 'New South Wales is the only jurisdiction that currently requires LDC services to employ degree-qualified teachers .' (p. 35), it would be helpful to add that the NSW regulation only applies if the service has over 29 children. Further, Victoria, Queensland and South Australia also fund some kindergarten teachers in long day care services and this funding is subject to relevant regulation.

In relation to the Commission's discussion of the submission from the Municipal Association of Victoria (MAV) (p36), it should be noted that the \$606 million that MAV believes is required to implement universal access relates to unspecified capital infrastructure costs to achieve universal access, rather than operational funding. The MAV has not provided details of the methodology used to identify the \$606 million, and DEEWR believes this amount to be significantly overstated. It should also be noted that the funding provided by the Australian Government is a contribution to the cost of achieving universal access and that State and Territory Governments remain responsible for the provision of preschool within their jurisdiction.

DRAFT FINDING 3.1

Though the implementation of the universal aspects of the early childhood development (ECD) policy agenda will be costly overall, the targeting of relatively small additional funding to certain aspects of the ECD workforce may deliver substantial additional benefits to the community.

Under the National Partnership on Early Childhood Education, the Australian Government is providing \$955 million to states and territories over five years so every child will have access to quality early childhood education delivered by a four year degree-qualified teacher in the year prior to full time schooling.

The National Partnership also has a specific focus on outcomes for disadvantaged and Indigenous children. In particular, the National Partnership includes an outcome that all Indigenous four year olds in remote Indigenous communities will have access to a quality early childhood education program, reflecting the Closing the Gap target in the National Indigenous Reform Agreement. It also includes specific outputs and performance indicators for disadvantaged children and Indigenous children. It should also be noted that funding for the first four years of the five year National Partnership of Early Childhood Education is weighted on the basis of jurisdictions' socio-economic disadvantage, remoteness, and the 'gap' to universal access (in terms of enrolments and hours offered).

There are a range of other Australian Government initiatives that have a targeted focus on children with additional needs. These include the Children and Family Centres being constructed under the National Partnership Agreement on Indigenous Early Childhood Development, the Inclusion Support Program and the provision of Budget Based Funded early childhood services in particularly communities. In addition, Child Care Benefit is a means-tested payment based on a family's income so that it is targeted to people most in need of additional financial assistance.

DRAFT FINDING 3.2

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

DEEWR agrees that, while market pressures exert a significant influence on the ECD sector, an appropriate regulatory system supporting quality improvement and assurance is also required to ensure all Australian families are able to access quality care and education. This is reflected in the new national regulatory system being established under the National Partnership on the National Quality Agenda for Early Childhood Education and Care to ensure early childhood education and care in Australia is of high quality. The reforms include the establishment of a new national body, the Australian Children's Education and Care Quality Authority (ACECQA).

DRAFT 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 National Quality Framework (NQF) will provide clearer and comprehensive information for families so they can choose the best services for their child. The NQF will require all services to provide families with quality information to help them make informed choices about services.

The NQF will also require a service's rating and any service or temporary waivers to be published on the internet site of the relevant regulatory authority and the website of the Australian Children's Education and Care Quality Authority (ACECQA). (See response to draft recommendation 3.3 below for further details). The Australian Government has committed to publish ratings information on its *mychild* website.

DRAFT RECOMMENDATION 3.2

To achieve the goals of the Council of Australian Governments' (COAG) ECEC reforms without disadvantaging low-income families through the anticipated increase in fees, governments will need to ensure that there is adequate financial support for such families.

The Australian Government is committed to ensuring that families have access to affordable and high quality child care, and has measures to help families with the cost of quality child care.

The impact of the national quality reforms on families will be modest and will depend on a range of factors including family income and the level of usage of early childhood education and care services.

Analysis undertaken by Access Economics indicates that the average out-of-pocket cost increase for a family with one child attending full-time long day care and on an annual income of \$80 000 would be \$8.67 per week by 2014–15. Changes are being introduced over a number of years so that services have time to adjust and ensure there is no sudden increase in cost to families.

The Government has two measures to help families with the cost of quality child care. These are Child Care Benefit and the Child Care Rebate. Child Care Benefit is a means-tested payment based on a family's income so that it is targeted to people most in need of additional financial assistance. The Child Care Rebate is not income-tested. This payment provides additional assistance for working families who use approved child care.

From July 2008 the Government increased the Child Care Rebate 30 per cent to 50 per cent of out of pocket child care costs and from a maximum of \$4354 up to \$7500 per child per year. Payments were also changed from yearly to quarterly, so parents did not have to wait until the end of each year to get assistance with their child care fees. From July 2011 parents can now choose to receive their Child Care Rebate

payments fortnightly so they can access this important payment closer to the time their fees are due.

Overall, the Government is providing some \$20 billion over the next four years to improve the quality, affordability and accessibility of early childhood education and child care. This includes around \$16.4 billion through Child Care Benefit and the Child Care Rebate to help parents with the cost of child care.

The Government has also improved support for parents in jobless families to transition from income support to employment, by promoting increased take up and extension of Jobs, Education and Training Child Care Fee Assistance (JETCCFA) from July 2012. Funding of \$15.9 million has been committed over three years to support increased take-up of JETCCFA (including increased child care fee assistance outlays) for jobless families. In addition, \$20.2 million in funding will support increased take-up of JETCCFA for teenage parents who are completing their education.

The Government will continue to monitor the impact of the COAG early childhood education and care reforms on all families to ensure adequate financial assistance is in place to support low-income families.

DRAFT RECOMMENDATION 3.3

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

The National Quality Framework (NQF) will require a service's rating and any service or temporary waivers to be displayed at the service and the service's rating and compliance action to be published on the internet site of the relevant regulatory authority and the website of the Australian Children's Education and Care Quality Authority (ACECQA). The Australian Government has committed to publish ratings information on its *mychild* website.

References in the final report to the publication of information on waivers should note that the NQF will require such information on quality ratings and compliance action to be made publicly available.

It should also be noted that, while temporary waivers will be required by some services where they are in the process of recruiting suitably qualified educators, there are a number of factors that will reduce the need to seek waivers over time. These include the government's substantial investment in boosting the numbers of qualified early childhood workers and the different situation in each jurisdiction. For example, the NQF requirements for Certificate III and diploma qualifications are satisfied by either the possession of a relevant qualification or by 'actively working towards' a relevant qualification (ie, being engaged in study towards a qualification) this will also serve to reduce the requirement for services to seek temporary waivers.

DRAFT RECOMMENDATION 3.4

ECEC regulators should provide for ongoing consultation with stakeholders and timely dissemination of best practice. Governments should ensure that all ECEC regulators initiate robust evaluative processes so that regulatory impacts are minimised.

DEEWR agrees that reduction of administrative and regulatory burden is an important principle in assisting service directors to focus on providing quality early childhood services for children and that consultation with stakeholders is key to successful implementation of the Government's early childhood reforms.

ACECQA will oversee and guide implementation of the National Quality Framework and ensure consistent and effective administration of the new system, including timely dissemination of best practice.

DEEWR will continue to work with Commonwealth, State and Territory regulators to ensure administrative and regulatory impacts on the sector are minimised.

DRAFT RECOMMENDATION 3.6

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.

As part of the *National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care*, all governments have committed resources to training regulators. The Commonwealth is providing \$12.28 million to jurisdictions through the National Partnership to support the transition to the National Quality Standard, which includes funding to train regulators.

Chapter 5 - The preschool and long day care workforce

DRAFT FINDING 5.1

In order to attract and retain a sufficient number of early childhood teachers to achieve 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.

DRAFT FINDING 5.2

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

Pursuing improved pay and conditions

DEEWR notes the Productivity Commission's comments on pay and conditions for the ECEC workforce. It is important to acknowledge that in some settings the difference in pay and conditions reported reflect the different wage setting environments they fall under, with some covered by safety net minimum wages and conditions and others covered by enterprise agreements that provide bargained outcomes.

DEEWR considers that the bargaining framework under the Fair Work Act 2009 provides an appropriate avenue to address these issues. 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.

Enterprise agreements can deal with a wide range of 'permitted matters' that affect the working relationship between the employer and employees, and where relevant, the union. Enterprise agreements must leave employees better off overall than the applicable modern award and cannot undercut the National Employment Standards. The Fair Work Act does not require bargaining representatives to make concessions or to enter into an agreement if they do not agree to its terms. Where parties are unable to reach agreement, they can seek assistance from Fair Work Australia (FWA) through conciliation, mediation, and where parties agree, arbitration. In addition, there are various mechanisms available to resolve issues that arise during negotiations, including bargaining orders, majority support determinations and scope orders.

In addition, the Fair Work Act, includes provisions to assist low paid workers and their employers to enter into enterprise agreement making, with associated productivity and service delivery improvements.

The Fair Work Act's explanatory memorandum notes that many employers and workers in industries like child care struggle to bargain effectively. This may be because workers have lacked the skills and bargaining power to bargain for improved wages and conditions. Likewise, some employers have lacked the time, experience and resources to bargain effectively. The Fair Work Act provides workers and employers with another option in these circumstances, access to a separate multi-employer bargaining stream for the low paid.

In May 2011, Fair Work Australia (FWA) found that, for the purposes of the low paid bargaining provisions, 'low paid' employees are those who are paid at or around the award rate of pay and are employed at the lower award classification levels.

Operation of the low paid bargaining provisions of the *Fair Work Act 2009*

A bargaining representative or an organisation of employees with relevant coverage may apply to FWA for entry into the low-paid bargaining stream. FWA then considers a range of factors provided under the Act to determine if making a low-paid bargaining authorisation is in the public interest, for example:

- previous history of bargaining
- the current wages and conditions of the employees
- their relative bargaining strength
- the views of the employees and employers to be covered.

Whether parties have bargained for an agreement in the past does not stop FWA from making an authorization, but is a factor to be taken into account.

Once in the low paid bargaining stream, parties can receive assistance from FWA to reach an agreement. Assistance could include conciliation or mediation, good faith bargaining orders and compulsory conferences.

FWA has the power to direct anyone with a degree of control over the terms and conditions of the employees who will be covered by the agreement to attend a conference. Protected industrial action is not available in the low-paid stream. Outcomes from low paid bargaining can include a single agreement with some variations covering multiple employers, or a number of agreements covering multiple employers, or a combination of both.

If bargaining representatives are unable to reach agreement, a bargaining representative may apply to FWA for a low-paid workplace determination. There are two types of arbitration in the low-paid stream – a consent workplace determination where bargaining representatives agree to apply jointly for a determination by FWA, and a special low-paid determination that can be made by FWA on application by a single bargaining representative. In both cases, to make a determination FWA must be satisfied there is no reasonable prospect of agreement being reached, despite the best efforts of the parties involved.

Other bargaining related comments

The draft report states (bottom of p 56) that with up to four unions represented in the ECEC sector, bargaining can be complicated and may mean that multiple agreements need to be negotiated. Under the Fair Work Act an enterprise

agreement may cover a number of different unions and the Act does not require that separate agreements be reached with each of the unions.

DRAFT RECOMMENDATION 5.1

To assist in the transition to the National Partnership Agreement on Early Childhood Education, governments should permit:

- ***any currently employed 3-year-qualified early childhood teacher to deliver the preschool program***
- ***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.***

It should be noted that, in recognition of the fact that improvements to staff qualifications take time, reasonable transitional arrangements are already provided for in the National Partnership Agreement on Early Childhood Education in relation to the teacher requirement.

The draft report notes that the National Partnership on Early Childhood Education has some flexibility regarding the requirement for a 4 year teaching degree, and quotes National Quality Agenda (NQA) regulations to support this (p. 68). It should be noted, however, that the NQA regulations do not give effect to the National Partnership on Early Childhood Education, and any additional arrangements must therefore be implemented within the framework of the National Partnership. The National Partnership on Early Childhood Education provides funding for the achievement of specified performance goals including in relation to four year trained early childhood teachers and is not a source of regulation per se.

It should be noted that in relation to the National Partnership on Early Childhood Education, of the four jurisdictions mentioned on p63 (Queensland, Northern Territory, South Australia and Act), two of the four (Queensland and the ACT) met or exceeded their preschool enrolments targets in 2009, and all four met or exceeded their preschool hours targets, as shown at Table 5.4 on p. 70.

Chapter 6 - The family day care workforce

DRAFT FINDING 6.1

To achieve the National Quality Standard, contact worker-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.

DRAFT FINDING 6.2

The National Quality Standard may result in fewer children attending family day care, and hence lower revenue for family day care schemes. 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.

DEEWR notes that there are a range of factors that potentially impact on the number of children attending family day care (FDC) services and the overall viability of family day care coordination units. DEEWR, however, is not aware of any evidence to suggest that the reforms under the National Quality Standard will compromise the viability of FDC coordination units. In some areas, the higher quality standards may in fact attract more families to FDC.

Family Day Care Australia is seeking to address volatility in the sector through the development and implementation of its five year strategic plan, *Working for a Stronger Future*. DEEWR suggests that this initiative could be referred to in the final report.

In addition, the following clarification is provided on two other points in this chapter:

- On page 92 (second full paragraph), the draft report states that ‘there is no requirement for the involvement of qualified early childhood teachers in the delivery of FDC’. While correct, it should also be acknowledged that 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 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.
- On page 97 (also on page XXVIII), the draft report refers to a ‘reduction in the number of children ... an individual FDC worker can care for ...’. The COAG reforms do not reduce the number of children an individual contact worker can care for, as the overall ratio in all jurisdictions will remain at 1:7. In some jurisdictions, there will be a variation in the balance between younger children (up to and including preschool) and older (school age) children. The COAG reforms bring national consistency based on regulatory arrangements currently operating successfully in four of the eight jurisdictions (Victoria, Queensland, South Australia and the ACT).

Chapter 7 - The outside school hours care and occasional care workforces

DRAFT RECOMMENDATION 7.1

Given the focus of outside school hours care on non-cognitive development through constructive play and socialisation, governments should not impose additional mandatory qualification requirements on outside school hours care workers.

The National Quality Standard does not set new educator to child ratios or minimum educator qualifications for Outside School Hours Care services; instead existing state and territory requirements will continue to apply. With the exception of New South Wales, all states and territories determine educator to child ratios and qualification requirements for Outside School Hours Care services within their jurisdiction. These requirements currently vary significantly between jurisdictions, leading to uncertainty and inconsistency for families who move interstate and service providers who operate across jurisdiction borders.

The Australian, state and territory governments have indicated that they will consider a nationally consistent approach to educator to child ratios and educator qualifications for Outside School Hours Care services in the future in consultation with the sector.

The Australian, state and territory governments are also working in collaboration with the Outside School Hours Care sector to develop the *My Time, Our Place: Framework for School Age Care* which recognises the importance of social and emotional development and communication in learning through play and leisure. The Framework:

- will inform the development of programs that enhance children's experiences and development through planned leisure activities.
- will be strengthened by a range of support materials which are currently being developed. These include an Educators' Guide and web based support in the form of an online education forum, e-newsletters and presentations by experts.
- builds on the Early Years Learning Framework and extends the principles, practice and outcomes to accommodate the contexts and age range of the children and young people who attend school age care settings.

Under the National Quality Standard for Early Childhood Education and Care, which comes into effect on 1 January 2012, services caring for school age children will be required to demonstrate their use of the Framework in the design and delivery of their programs. This will include around 5000 outside school hours care services as well as care provided to school age children in long day care and family day care settings.

DEEWR also notes that the growth in Outside School Hours Care provision in recent years is likely to reflect a range of factors not mentioned in the draft report, including socio-demographics, broader changes to parental work patterns (and the impact of that on demand) and other parental preference factors.

DRAFT RECOMMENDATION 7.2

Given that children typically spend limited time in occasional care, occasional care has relatively limited scope to contribute to cognitive development. As a consequence, governments should not impose additional mandatory qualification requirements on occasional care workers.

Occasional Care services will not be covered by the National Quality Framework, though these services are welcome to incorporate elements of the National Quality Standard into their operations.

Future consideration may be given to including Occasional Care services under the Framework, but this would only follow extensive consultation with the Occasional Care sector.

Chapter 8 - The ECEC workforce for children with additional needs

DRAFT 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 to support 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.***

The Australian Government's Inclusion Support Program, a sub-program of the broader Inclusion and Professional Support Program (IPSP), funds a national network of Inclusion Support Agencies (ISAs) that provide support and advice to child care services on inclusive practice. ISAs also assist eligible child care services to apply for the Inclusion Support Subsidy, which is available to eligible child care services to assist them in employing an additional educator to support the inclusion of a child with diagnosed disability for up to 12 months.

The Australian Government is consulting extensively and reviewing the program prior to selecting new providers for 2012–2015. All feedback will be taken into account during this process.

Inclusion Support Program (ISP)

The ISP targets four priority groups for children with additional needs including children with disability, children from cultural and linguistically diverse backgrounds (CALD), children from a refugee or humanitarian intervention background and Indigenous children.

Inclusion Support Agencies

Inclusion Support Agencies (ISAs) provide child care services with practical support to help build their capacity to provide a quality inclusive environment for children with additional needs. There are a total of 67 ISA regions providing support to approved child care services across Australia.

ISAs provide practical advice and access to a range of supports including onsite assistance with developing Service Support Plans, facilitating access to Inclusion Support Subsidy, Specialist Equipment, General Resources Library, Bicultural Support, professional support and administering Flexible Support Funding (FSF).

Through the ISA, child care services can apply for FSF of \$16.43 per hour to employ an additional educator to increase the staff-to-child ratio above licensing requirements, Home based carers can also access FSF to attend specialist training after hours. Limits apply to the number of hours of FSF a child care services can access. The limits also vary according to service type and activity.

Inclusion Support Subsidy (ISS)

ISS specifically targets the inclusion of children with disability, children awaiting diagnosis of a disability or children from a refugee or humanitarian intervention background.

The ISS can be used by:

- centre based child care services to engage an additional educator to increase the child to staff ratio; or
- home based services such as Family Day Care or In Home Care, as a payment to educators in recognition of the additional care required by children with ongoing high support needs and the impact on the carer; or to engage an additional carer to assist with out of home excursions.

The ISS is not designed to provide one-to-one support for an eligible child but rather to increase the staff-to-child ratio to assist a service to include the child while in the care environment.

ISS funding

Under current arrangements, funding for ISS is capped. It is available as a contribution towards the cost of including children with ongoing high support needs and is not intended to be a reimbursement for all costs. The subsidy is limited to a flat hourly rate to ensure that the available funding is distributed and targeted in an equitable manner to all eligible child care services throughout Australia.

In 2010, the funded ISS rate of \$16.19 per hour covered 71 per cent of the indicative cost of a service engaging an additional educator to support inclusion of children with

disability or children from refugee or humanitarian intervention background. The ISS is indexed annually. The adequacy of funding and indexing will be taken into account during the review of the program.

It should also be noted that ISS is not an automatic entitlement. It is based on the needs of the service and its capacity to include a child/ren in a specific care environment. The capacity of the service to support the child is assessed when the care environment changes. It is for these reasons that multiple-year funding may not be appropriate for ISS entitlements.

ISS automation

The Government continues to support improvements in the delivery of the IPSP with a focus on supporting services and improving efficiency in delivery.

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.

DEEWR is moving to an online ISS application and payment system, which will reduce the administrative burden on services and will enable services to claim ISS at the time they enter their attendance records for CCB purposes. The online system will commence from 3 October 2011.

Bicultural Support Program

The Bicultural Support Program provides additional resources to eligible child care services to assist with the inclusion of children from culturally and linguistically diverse backgrounds, children from a refugee or humanitarian intervention background and Indigenous children. Support is time-limited and free of charge. Services include access to a bilingual or bicultural worker, information and advice.

DRAFT 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.

The IPSP funds Professional Support Coordinators (PSCs) and Indigenous Professional Support Units (IPSUs) in each state and territory. The PSCs and IPSUs provide professional development, advice and resources to assist child care service to provide quality child care and to be inclusive of children from diverse backgrounds. This includes Indigenous children, children with disability and children from CALD backgrounds.

PSCs provide professional development and support to child care educators by subcontracting Professional Support Service Providers (PSSPs). PSCs also provide Bicultural Support, Resource Libraries and Specialist Equipment. PSCs respond to current and emerging professional development and support needs in the child care sector. They work closely with PSSPs, ISAs and IPSUs to meet the professional development and support needs of all eligible child care services and in particular, work with IPSUs to support eligible Indigenous child care services.

Eligible child care services can access Flexible Support Funding (FSF) to allow release time for permanent educators to attend specialist training in respect of a child with ongoing high support needs.

The Department on behalf of the Australian Government, is currently reviewing all elements of the Inclusion and Support Program (IPSP) which includes PSCs and IPSUs.

As part of this process, DEEWR is consulting broadly with stakeholders across the child care, disability and inclusion sectors, before approaching the market with a competitive selection process for IPSP providers from July 2012.

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

DRAFT 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.***

DRAFT 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.

DEEWR acknowledges that there are additional barriers in ensuring the necessary provision of qualified early childhood workers in rural and remote areas. The Australian Government has funded a number of workforce initiatives specifically targeted at ECEC workers in rural and remote areas. These include:

- \$12.4 million to reduce the HECS-HELP debts of Early Childhood Education Teachers who work in regional, remote, Indigenous communities and areas of high socio-economic disadvantage based on postcode location. As well as this

specific measure, early childhood teachers may also be able to receive the HECS-HELP Benefit for nursing and education graduates.

- \$9.2 million has been allocated to improve the quality and uptake of Recognition of Prior Learning (RPL) for early childhood professionals and to provide grants of up to \$1125 for rural and remote child care workers to cover expenses associated with accessing RPL for Certificate III, Diploma and Advanced Diploma's in Children's Services.
- \$53.9 million for 1500 additional ongoing university places for students wishing to undertake early childhood education qualifications. Of these places, 395 were allocated to regional universities.

Workers in rural and remote areas also benefit from broader initiatives, including the TAFE fee waiver initiative, and will benefit from the Building Australia's Future Workforce initiatives more generally.

DEEWR will continue to review the effectiveness of these initiatives to ensure they are successful in addressing shortages in early childhood workers in these areas and will also continue to explore the range of options for supporting and delivering quality early childcare education in rural and remote Australia.

It should also be noted that the NQF requirement for smaller services (those with less than 25 children) is that an early childhood teacher will need to be in attendance at least some of the time (ie on a part time basis), rather than necessarily full time. This is likely to apply to many services in rural and remote Australia, providing greater flexibility in how the new quality standard can be implemented in these areas.

Chapter 10 - Training the early childhood education and care workforce

DRAFT RECOMMENDATION 10.1

The Community Services and Health Industry Skills Council should consider specifying the minimum periods of training and practicum associated with children's services qualifications. These minimum periods should be decided in consultation with ECEC providers.

The Australian vocational, education and training (VET) system is built on a principle of competency-based, rather than time-based, progression. As such, 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.

Industry Skills Councils are required to develop and undertake continuous improvement of training packages to meet the skill needs of industry. This may include identifying and specifying the level of practicum industry requires in determining whether a learner can competently perform within a work environment.

DRAFT RECOMMENDATION 10.2

Governments should facilitate access to VET by developing ECEC training programs targeted at contact workers from culturally and linguistically diverse backgrounds (including English language programs delivered in conjunction with ECEC training).

In the 2011–12 Budget, as part of the Building Australia's Future Workforce skills funding package, the Government expanded the Workplace English Language and Literacy Program (WELL) providing more than 13 000 additional training places over four years. The WELL program provides financial support to employers, on a co-contribution basis, to assist their existing employees improve their literacy skills for sustainable employment and further training.

DRAFT RECOMMENDATION 10.3

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

Most registered training organisations (RTO) already offer some forms of flexible delivery as part of their service. Flexible delivery covers various aspects of delivery including on-line learning, distance learning and workplace learning and assessment where the trainer and assessor will conduct training and assessment on-site.

In delivering training, an RTO must comply with the requirements of legislation and the Australian Quality Training Framework. This would mean that a training provider delivering in-home practical training would need to ensure that the trainer, facilities, equipment and assessment is still consistent with the requirements of the Training Package or VET accredited course.

DRAFT RECOMMENDATION 10.4

The requirement for VET assessors to demonstrate knowledge of current ECEC practices should be enforced by VET regulators. The Department of Employment, Education and Workplace Relations should design and implement a program of professional development for VET assessors working in ECEC to identify and address gaps in their knowledge of current practice.

Under the VET Quality Framework, 15.4 of the Standards for National VET Regulator (NVR) Registered Training Organisations requires that:

Training and assessment is delivered by trainers and assessors who:

- Have the necessary training and assessment competencies as determined by the National Quality Council or its successors; and
- Have the relevant vocational competencies at least to the level being delivered or assessed; and

- Can demonstrate current industry skills directly relevant to the training/assessment being undertaken; and
- Continue to develop their vocational education and training (VET) knowledge and skills as well as their industry currency and trainer/assessor competence.

The national VET regulator, known as the Australian Skills Quality Authority (ASQA), must be satisfied that a NVR registered training organisation complies with these requirements. For RTOs not registered with ASQA, the relevant state VET Regulator must be satisfied that the organisation complies with the *Australian Quality Training Framework (AQTF) Essential Conditions and Standards for Initial Registration* and the *AQTF Essential Conditions and Standards for Continuing Registration*, which contains identical requirements for VET assessors.

DEEWR acknowledges there have been concerns amongst stakeholders, not just in the ECEC sector, that there are insufficient checks to ensure the assessment of training is properly undertaken. The new regulatory regime administered by ASQA provides significant scope to improve upon past practice by introducing a more robust set of regulatory tools than previously available to state and territory regulators.

VET regulators must also continuously improve national consistency in registration functions through internal and external benchmarking against national regulation, be guided by nationally-consistent risk management, consistency of auditors judgements and consistency in application of sanctions. For ASQA this is enshrined in a legislative instrument. For non-referring states this is a requirement under the AQTF.

Industry Skills Councils are responsible for the development of individual training packages and to provide professional development to stakeholders on changes to training packages. DEEWR through the Workplace Initiative Program (WIP) has funded an ECEC stakeholder to train assessors from the ECEC industry. The program involved Recognition of Prior Learning.

The National Skills Standards Council has taken over the National Quality Council's role regarding the development and maintenance of standards for the VET sector. The Council is responsible for the ongoing development of quality frameworks in VET and as such may be the appropriate body to consider the quality of VET assessors in ECEC, and to determine new requirements under the Standards for assessors in this industry. Broader issues of quality of assessment may be considered by the Standing Council on Tertiary Education, Skills and Employment.

DRAFT FINDING 10.4

Recognition of prior learning provides a means by which both the direct and opportunity costs of training may be reduced. The proposed development of a national recognition of prior learning assessment tool in children's services training will promote efficient, effective and consistent recognition of prior learning.

DEEWR welcomes the Commission's draft finding on the significant benefits of the Government's new Recognition of Prior Learning (RPL) initiative for the early childhood sector.

The \$9.2 million allocated in the 2011–12 Budget to improve the quality and uptake of Recognition of Prior Learning (RPL) includes:

- The development of a national assessment tool for Certificate III, Diploma and Advanced Diploma's in Children's Services.
- Funding for 600 existing RPL assessors to be trained in the use of this tool.
- Grants of up to \$1125 for rural and remote early childhood workers to cover expenses associated with accessing RPL.

This RPL initiative will benefit existing early childhood workers who have acquired skills on the job or have gained skills through other life experiences but do not currently have a formal qualification. The initiative will also benefit workers who would like to upgrade their qualifications.

DRAFT RECOMMENDATION 10.5

Governments should provide the Australian Skills Quality Authority with sufficient resources to establish and maintain processes and staff to ensure ECEC training is of a consistently acceptable standard. The Australian Skills Quality Authority should:

- ***apply more robust conditions for the initial registration of ECEC training providers***
- ***establish a rigorous and targeted system of audits and penalties to ensure that any registered training organisation that does not consistently produce graduates of acceptable quality is no longer able to provide ECEC training***
- ***externally validate the competencies of a targeted sample of VET graduates to ensure graduate quality is maintained***
- ***consider relaxing its focus on ongoing registration in the future, as poor quality training providers are both denied entry and progressively removed in the short-to-medium term.***

Resourcing

The Australian Government allocated \$55 million from the 2010-11 federal budget for the establishment and operation of ASQA between 2010–11 and 2013–14.

In addition, the *National Vocational Education and Training Regulator Act 2011* (the Act) allows ASQA through a legislative instrument to formulate and apply fees and

charges to recover the costs of services provided by ASQA in performing its functions under the Act, in accordance with the Australian Government's Cost Recovery Guidelines. This will increase the total budget to around \$95 million over the four-year period.

Resources are not specifically allocated for ASQA to perform its functions in relation to a particular industry sectors. ASQA, however, has discretion to devote more resources to a particular function or area where it considers this is needed. Whether there is need to allocate further discrete resources to regulation of the ECEC sector could be further explored, along with identifying the area of the funding source.

Initial Registration / rigorous and targeted system of audits and penalties

DEEWR acknowledges reforms in the Early Childhood Development Workforce may generate a substantial increase in training, particularly from the VET sector, and that this growth brings with it risks to the quality of training and integrity of qualifications in the sector.

Under the Act, a training organisation delivering courses in any sector must satisfy stringent conditions to be registered by ASQA. In assessing applications, ASQA will pay close attention to the risks of non-compliance particularly in relation to the scope of proposed operations, financial management and governance arrangements and the applicant's own assessment of market entry risk.

Conditions of registration include compliance with the VET Quality Framework, satisfying Fit and Proper Person requirements, and satisfying Financial Viability Risk Assessment Requirements, all of which are contained in legislative instruments. ASQA may also impose other conditions on an NVR-registered training organisations' registration at point of market entry or at a later time.

In addition, applications for initial and continuing registration are assessed by ASQA under agreed guidelines known as the Risk Assessment Framework. These guidelines allow ASQA flexibility to respond to changes in the VET market in assessing risk at initial registration. For example, ASQA 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.

In addition to individual RTO risk assessment and management, ASQA has a key role in identifying system-wide risks to the quality of training and assessment services and outcomes. ASQA will collect and use quantitative and qualitative data from industry, governments and consumers to identify and target these risks, including those that may be specific to training and assessment for a particular industry or industry sector such as ECEC. Identification of these risks may lead to more rigorous assessment at point of registration, strategic industry audits, investigations, or targeted audits of particular groups of providers.

ASQA has 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. These measures allow ASQA

to address non-compliance and ensure that training providers either meet quality requirements or exit the system.

From its commencement on 1 July 2011, ASQA is responsible for the registration and regulation of:

- all registered training organisations (RTOs) in NSW, ACT and NT, and
- RTOs who deliver courses to overseas students or multi-jurisdictional operations in non-referring states (VIC and WA).

ASQA will assume responsibility for RTOs in Queensland, South Australia and Tasmania as they pass legislation referring powers. It is expected that these states will introduce referring legislation later this year and that ASQA will be operating in all states by the early 2012.

The Victorian and WA regulators will remain responsible for domestically focussed providers operating only in their states, under their current legislative requirements.

External validation of the competencies of a targeted sample of VET graduates to ensure graduate quality is maintained

DEEWR does not consider that ASQA is the appropriate body to validate competencies of graduates already engaged in the ECD workforce as its legislation does not allow it to enforce industry workforce standards outside of provision of VET Training. Rather, this would be the role of industry regulators.

However, ASQA will actively engage with industry regulators to inform ongoing quality assurance processes and to gain intelligence to inform strategic monitoring in this industry sector. ASQA has established a dedicated unit in its structure to foster relationships with industry stakeholders for this purpose.

Consider ASQA relaxing its focus on ongoing registration in the future, as poor quality training providers are both denied entry and progressively removed in the short-to-medium term

DEEWR does not agree that requirements under the Act for renewal of registration for training organisations should be relaxed. There is an ongoing need to ensure that registered providers continue to deliver quality training. For example, changes in the VET market such as growth or shrinkage in an industry area or changes in ownership or management of an organisation could impact negatively on performance of a provider. To renew a provider's registration, ASQA must ascertain that the organisation is still capable of delivering quality training outcomes.

ASQA will use a risk assessment approach to its regulatory functions. RTOs will be assessed as having a low, medium or high risk and regulated appropriately. 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.

DRAFT RECOMMENDATION 10.6

The Australian Skills Quality Authority should be subject to a performance audit within its first two years of operation. This performance audit should: focus on the ability of the Australian Skills Quality Authority to ensure that ECEC workers receive quality vocational education and training review the effectiveness of the Australian Skills Quality Authority in enforcing the minimum conditions and standards for initial and ongoing registration consider the adequacy of the funding allocated to the Australian Skills Quality Authority.

Performance audit / focus on regulation in ECEC VET delivery/ Review of ASQA DEEWR considers that the intent of this draft recommendation is already provided for under the Charter of the National Skills Standards Council agreed by the Standing Council for Tertiary Education, Skills and Employment (SCOTese) which requires the National Skills Standards Council to commission third-party audits of ASQA and state regulators in non-referring states at least every three years.

The Charter also states that additional audits may be commissioned 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.

Review the adequacy of the funding for ASQA

The Commonwealth is currently providing \$55 million to support establishment and operations of the agency over the first four years. The Fee Schedule supporting cost recovery, a legislative instrument under the Act, may be reviewed by ASQA from time to time to ensure it continues to be sufficient to allow ASQA to perform its functions under the Act.

DRAFT RECOMMENDATION 10.7

ECEC qualifications should be regarded as 'high risk' by the Australian Skills Quality Authority and audited accordingly. Organisations found to consistently provide high-quality ECEC training should be subject to progressively less regulatory intervention over time.

The Risk Management Framework and the regulatory model developed by ASQA in consultation with stakeholders allow ASQA to determine risk on a range of factors current to industry, including the ability to consider providers who deliver qualifications in ECEC training high risk if warranted.

DRAFT RECOMMENDATION 10.8

Governments should ensure that all workers in ECEC services have access to professional development and support programs. Priority should be given to enabling workers to participate in professional development that will assist them to:

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

The Australian Government funds the Inclusion and Professional Support Program to support professional development and support programs in the ECEC sector. Under the Professional Support sub-Program funding is provided for a national network of Professional Support Coordinators (PSCs) and Indigenous Professional Support Units (IPSUs).

These services facilitate professional development that is based on evidence and good practice to support eligible child care service educators, carers and managers to provide quality child care for all children.

This includes assisting child care services to understand the implications and requirements of the National Quality Framework and the Early Years Learning Framework.

PSCs and IPSUs also facilitate professional development to build the leadership and management capacity of services and to ensure educators and carers understand the latest trends in early childhood education and pedagogy.

The Department, on behalf of the Australian Government, is currently reviewing all elements of the Inclusion and Support Program (IPSP) which includes PSCs and IPSUs.

As part of this process, DEEWR is consulting broadly with stakeholders across the child care, disability and inclusion sectors, before approaching the market with a competitive selection process for IPSP providers from July 2012. The Department has released a discussion paper to seek stakeholder feedback on approaches to improve the administration, and outcomes of each element of the program. Submissions closed on 25 July 2011. The Department is currently reviewing the responses.

In order to support the early childhood workforce, there are a range of implementation strategies to assist early childhood educators to implement the Early Years Learning Framework.

The Early Years Learning Framework and a Families' Guide, released on 2 July 2009, were disseminated widely to early childhood services across Australia.

The Framework and Families' Guide (translated into 20 languages) are available for download from the Department's website.

The Educators' Guide to the Early Years Learning Framework and the Early Years Learning Framework in Action, released on the Department's website on 6 December 2010, were disseminated to early childhood services in February 2011. www.deewr.gov.au/Earlychildhood/Policy_Agenda/Pages/home.aspx.

Training and mentoring support is being delivered by the Australian Government-funded Professional Support Coordinators program, Indigenous Professional Support Units and Inclusion Support Agencies.

The peak body, Early Childhood Australia, has been contracted to design and deliver a suite of professional development training initiatives to support the implementation of the Early Years Learning Framework, which includes training workshops, an interactive online forum, an e-newsletter, online e-learning videos and a series of *Talking About Practice* learning vignettes which can be found at www.earlychildhoodaustralia.org.au/eylfplp

Delivery of professional development to support Indigenous staff in remote Indigenous communities has also been developed and is being progressed.

Chapter 14 - Workforce for Indigenous ECEC services

As a general comment, DEEWR suggests that this chapter include clear references to the National Partnership on Early Childhood Education, as this has a key outcome and performance indicator aimed at lifting the participation rate of Indigenous children, including those in remote communities.

It is also important to acknowledge that mainstream services (when distinguished in this Chapter from Indigenous-focused services) have more Indigenous children enrolled than non-mainstream services.

There are several points relating to Children and Family Centres (CFCs) and Multifunctional Aboriginal Children's Services (MACS) that require clarification:

- The title of Box 14.2 (p. 265) 'From Multifunctional Aboriginal Children's Services (MACS) to Children and Family Centres' could be interpreted as meaning that MACS will transition into CFCs. As this is not the case it is suggested that the title be redrafted for the final report.
- The draft report states that the planned CFCs for Indigenous children and their families will be excluded from the NQF (p. 276). DEEWR notes that planning to date for all CFCs has included provision for child care being provided at or through CFCs to be NQF compliant.
- Footnote 4 on p.276 is incorrect. Like all Budget Based Funded services, MACS managed by the Victorian government are not included in the first phase of the NQF.

- In Table 14.1, footnote a, suggest deleting the word 'nil' as this could imply that no CFCs will be completed by 2014, when in fact all CFCs are due to be operating by mid 2014.

DRAFT RECOMMENDATION 14.1

To achieve the COAG ECEC reform goals governments should:

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

COAG agreed that a comprehensive National Quality Framework would be implemented for early childhood education and care services over a number of years.

Initially from 1 January 2012, the National Quality Framework will apply to long day care, family day care, preschool (kindergarten) and outside school hours care services. COAG also agreed that the inclusion of other types of services, such as Commonwealth Budget Based Funded (BBF) services – which are referred to as Indigenous-focussed ECEC services in the report – will be considered over time. This reflects the fact that many of services require time and additional assistance to develop the capability required to meet the National Quality Framework.

While BBFs are not included at this time, the Australian Government is actively seeking to improve their quality. As part of its commitment to supporting high quality early childhood education and care, the Australian Government is providing \$59.4 million over four years (from 2010–11) to support centre-based BBF services to meet key elements of the National Quality Framework. This approach will allow these services to transition into the NQF at a point at which they can reasonably meet the NQF requirements. There is a risk that implementing this transition prematurely would effectively set many of these services up to fail, further entrenching existing disadvantage, and undermining the integrity of the NQF through the need for widespread service-level exemptions.

The National Partnership on the National Quality Agenda for Early Childhood Education and Care will be reviewed by COAG in 2014 with regard to progress made in achieving the agreed objectives and outcomes, which will be an opportunity to further consider the appropriate regulation of Budget Based Funded services. It is important to note that while BBF services are outside the scope of the NQA, many are required to meet state or territory regulatory (licensing) requirements, which includes staff qualifications, building requirements and staff to child ratios. Over half of Indigenous-focussed long day care type services are licensed, and nearly twenty percent of Indigenous-focussed OSHC services are licensed.

DRAFT 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 to receive this endorsement.

ACECQA will uphold the requirements for cultural competence as provided in the NQS and Early Years Learning Framework, which requires relationship development, partnerships, information sharing and joint decision-making with families and communities in regards to the design and delivery of culturally inclusive education and care programs for all young children.

DRAFT 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.***

In relation to funding for the Children and Family Centres (CFCs) under the National Partnership on Indigenous Early Childhood Development, funding was based on careful estimates of both the capital and operating costs of the Centres, during the six year life of the National Partnership to June 2014. Future funding will be considered in line with the processes outlined under the Federal Financial Relations Framework and will be subject to normal Commonwealth Budget processes.

In relation to the funding of Budget Based Funded services, DEEWR recognises the administrative burden on BBF service providers associated with the current annual funding agreements and is considering how best to improve and streamline the administration of the BBF program.

DRAFT 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.

DRAFT RECOMMENDATION 14.7

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

In 2011–2012 the Australian Government is providing over \$1.4 billion nationally to state and territory governments to manage vocational education and training initiatives in their state or territory under the National Agreement for Skills and Workforce Development (the Skills agreement).

Under the Skills agreement state and territory governments are responsible for the allocation of resources and the oversight of public funded training in their jurisdiction. States and territories have the flexibility under the Skills agreement to work with registered training organisations, to deliver the training and outcomes which are required for individual jurisdictions to meet their Council of Australian Government targets, including training for employment in the early childhood development sector.

DRAFT 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***
- ***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.***

The Australian Government funds the Inclusion and Professional Support Program to support professional development in the ECEC sector, including funding for a national network of Professional Support Coordinators (PSCs) and Indigenous Professional Support Units (IPSUs).

IPSUs provide culturally appropriate advice, professional development and support to eligible Indigenous child care services to enable them to provide quality child care.

The Department is currently reviewing all elements of the Inclusion and Support Program (IPSP) which includes PSCs and IPSUs. As part of this process, DEEWR is consulting broadly with stakeholders across the child care, disability and inclusion sectors, before approaching the market with a competitive selection process for IPSP providers from July 2012.

Chapter 15 - The Integrated ECD Services Workforce

DRAFT 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.

DRAFT 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.

A discussion paper was released on the future of the Inclusion and Professional Support Program (IPSP) as part of a grant application competitive selection process for IPSP service providers for the period 2012 to 2015. Feedback received on the discussion paper will provide opportunities to improve policy and service delivery of the IPSP to achieve better outcomes for all children.