



# National Early Years Strategy

Discussion Paper Response - Submission by the Childcare Leadership Alliance

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*“Our industry effects every other industry.  
I think it’s crunch time for the government now.”*

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*Lisa Lansdown, Educator<sup>1</sup>*

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<sup>1</sup> Schubert, Shannon. 22 February 2023. ‘Early childhood educators “barely able to survive” on wages as workers call for action’. ABC News online. <https://www.abc.net.au/news/2023-02-22/early-childhood-educators-crisis-wages-rise/101997336>

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## Introduction

The Childcare Leadership Alliance (CLA) was founded in 2022 to address the childcare challenges unique to regional communities, commencing with a pilot of strategies in Moranbah and Dysart in central Queensland. The CLA is supported by BHP Mitsubishi Alliance (BMA), the largest employer in the region, with a volunteer Board comprising representatives from the Isaac Regional Council, local business, the early learning sector, and BMA.

The CLA has consulted widely in the region and is developing and launching several initiatives in the next six months. If successful, it is hoped these initiatives will be scalable to other regional communities.

But this work cannot be done alone. It needs the support of all levels of government, business, and community to help drive positive, sustainable change that benefits children and families.

The CLA is making this submission in response to the discussion paper to represent and amplify the voices of children and families in regional communities. They are being left behind - there are no specific interventions in the early years for these communities. Children in regional communities should not still be so far behind their city peers. The Australian Government's National Early Years Strategy is the first significant re-think of the sector in over a decade - the time has come to make lasting change.

**We welcome this opportunity to join the conversation and help shape the future for all of Australia's children.**



**Melissa Westcott**  
Chair, Childcare Leadership Alliance

## Executive summary

Children and families in regional communities are missing out on access to quality early learning experiences. And despite growing regional populations and the challenges unique to (and amplified in) regional communities, the level of investment into early learning services and tailored solutions from all levels of government continues to fall well below what is required.

A 'country migration' is occurring in Australia, with more city residents continuing to move to regional centres, a trend that is unique to Australia among OECD countries. According to figures from the Regional Australia Institute and Commonwealth Bank, 'net capital to regional migration' is up 16 per cent on pre-Covid levels. The number of people moving from one regional centre to another has also increased with the mounting costs of living<sup>2</sup>.

Queensland is seeing the added pressure of this regional migration. Unlike every other Australian state and territory (with the exception of Tasmania), Queensland is the only state where more people live outside of the major city than in it<sup>3</sup>. About 37 per cent of all Queensland children live outside south-east Queensland; this figure rises dramatically to 68 per cent of First Nations' children. And yet, services in regional areas are not equitable, and children in these communities continue to fall behind.

The findings of the recent Productivity Commission's Review of the National School Reform Agreement<sup>4</sup> reaffirmed that children in regional communities are at a disadvantage. Results for reading and numeracy for children in outer regional and remote areas continue to be consistently lower than the general student population. By grade 9, these differences can be as great as the equivalent of five years of learning; and students in outer regional and remote Australia are three times more likely to fall behind in their learning than their city peers.

So although there are more and more children living at risk of disadvantage purely due to geography, tailored solutions are still not available. Those living in rural, regional and remote communities are becoming more reliant on funding from private enterprises and philanthropic organisations to meet the gaps left by under-funding from all levels of government.

*"As children get older it can become harder to reverse the impacts of early adverse experiences and improve their life trajectory. Gaps in early childhood continue throughout life. If a gap emerges and doesn't close by the age of five, it is likely to persist, especially for children experiencing vulnerability or disadvantage."*

*Early Years Strategy Discussion Paper, page 9*

<sup>2</sup> Al Khawaldeh, Khaled. 2 March 2023. 'Australia bucking OECD trend with city dwellers still moving to the country.' The Guardian. <https://www.theguardian.com/australia-news/2023/mar/01/australia-bucking-oecd-trend-with-city-dwellers-still-moving-to-the-country>

<sup>3</sup> ABS Census 2021

<sup>4</sup> Australian Government - Productivity Commission. December 2022. Review of the National School Reform Agreement: Study report.' <https://www.pc.gov.au/inquiries/completed/school-agreement/report>

It is now widely accepted that for children facing disadvantage, intervention in the early years is critical to improving their life-long trajectory. Quality early learning services are vital to support families, and set up children for success at school and life. However, in regional communities there are many challenges facing the early learning and care sector, including:

- **Difficulty attracting and retaining qualified early childhood teachers and educators** due to historically poor wages in the sector, a lack of appropriate and affordable housing, barriers to skilled migration, lack of access to professional development, and the extra costs associated with living in regional communities
- **A shortfall of services** to meet the needs of the community, including long daycare, family daycare, and outside of school hours care (OSCH)
- **Over-subscribed services**, that result in uncertainty for families who battle long waitlists, or need to travel long distances to find care for their children
- **High turnover of early learning workers**, which means children are not able to form the lasting relationships with trust educators that are so critical in the early years.

As a result of these challenges, there is a high turnover of early learning educators and teachers, which is exacerbated in regional areas: **35 per cent of early childhood educators in metropolitan areas will quit the sector after 12 months; that number rises dramatically to 50 per cent for educators in remote locations<sup>5</sup>.**

This high turnover means children are not able to form the lasting relationships with trusted educators that are so critical in the early years. Parents and caregivers who cannot find suitable or available care options are unable to participate in the workforce as much as they need or want. The latter typically means fewer women are able to participate in the workforce, as they are often the primary carer of young children.

Currently, there are very few incentives for early learning teachers and educators to make their way to country communities, unlike teachers and staff in the primary and secondary school state-run systems.

If the Australian government is serious about making significant, sustainable improvements to the lives of Australia's youngest residents, it needs to be for all children, not those who are lucky enough to be born and raised in particular locations. **More investment in early learning in regional communities is vital.**

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<sup>5</sup> Schubert, Shannon. 22 February 2023. 'Early childhood educators "barely able to survive" on wages as workers call for action.' ABC News Online. <https://www.abc.net.au/news/2023-02-22/early-childhood-educators-crisis-wages-rise/101997336>

Our recommendations in this paper are detailed below, and will specifically address the following questions from the Government's Discussion Paper:

- **Q2: What vision should our nation have for Australia's youngest children?**

All children, no matter their location, have access to the high-quality early education and care they need to set them up for school and life. This is particularly true for children living in rural, regional and remote communities, many of which are also disadvantaged socio-economic geographies.
- **Q3: What mix of outcomes are most important to include in the strategy?**

The outcomes must include a focus on location - including communities with low-socio-economic challenges, and communities in regional Australia. This is critical for ensuring equitable access to interventions and support for children and families.
- **Q4: What specific areas / policy priorities should be included in the Strategy and why?**

The Strategy must address the challenges in the early learning sector, particularly the attraction and retention, ongoing professional development, and wages for qualified Early Childhood Teachers and educators, with a particular focus on the heightened challenges in regional communities. Supporting the provision of high-quality early learning services that meet the needs of families and communities will set children up for success in school and life.
- **Q5: What could the Commonwealth do to improve outcomes for children - particularly those who are born or raised in more vulnerable and/or disadvantaged circumstances?**

As above in question four.
- **Q6: What areas do you think the Commonwealth could focus on to improve coordination and collaboration in developing policies for children and families?**

To develop policies that benefit children and families, we need policies that support attraction and retention of qualified Early Childhood Teachers and educators. Improving coordination and collaboration in the following areas is therefore critical:

  - Immigration: the Government needs to reduce the barriers to entry for those applying for Teacher and Group Leader positions in early learning centres, to make it easier for providers in regional areas to adequately staff centres with qualified employees. These barriers are outlined in our recommendations below.
  - Housing: a lack of suitable housing in regional communities needs to be addressed in a joint effort between Commonwealth and State governments; housing in these communities is often unavailable, unsuitable, or too costly for those in the early learning sector.



## Recommendations - Summary

The CLA makes the following recommendations in response to the Discussion Paper.

### Recommendations that would provide immediate benefit

1. Commonwealth Government to help **subsidise wages** for those working in the early childhood education and care sector (ECEC), with extra support for ECEC teachers and educators in living and working in **rural, regional and remote locations**; and **expand the definition** of 'remote' centres to incentivise more teachers and educators to relocate to regional communities.
2. Commonwealth Government to provide **professional learning subsidies** for ECEC in regional communities.
3. **Reduce barriers to access migration** for qualified early childhood educators and teachers (currently only teachers and Centre Managers are on the high-needs list of skills).
4. Ensure the children and families of migrant workers can access **free schooling, childcare subsidies, and Medicare** in all states and territories.

### Recommendations that will see benefits in the medium-long term

5. Facilitate **portable long service leave** between employers, to encourage our educators to stay in the sector long term.
6. Co-create a **housing solution** with State and Territory governments to ensure regional communities are safe, affordable homes for early childhood professionals.

**Recommendation 1: Subsidise ECEC wages, and provide extra bonus for those working in regional communities; and extend the definition of 'very remote Centre Based Day Care service' for HELP debt reduction**

### Subsidising wages

It is well known that wages do not accurately reflect the qualifications and skills required and expected of professionals working in the ECEC sector.

For example, the average primary school teacher salary in Australia is \$89,593 a year, or \$45.95 an hour. Entry-level positions start at \$78,397 per year, while most experienced workers make up to \$96,590 per year.

However, the average salary for an Early Childhood Teacher in Australia is \$79,353 per year or \$40.69 per hour, despite requiring a four-year Bachelor degree, having no access to regular holidays that school teachers enjoy, and often requiring long hours or shift work in long daycare centres. Entry-level positions start at \$71,253 per year, while most experienced workers make up to \$92,704 per year.<sup>6</sup>

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<sup>6</sup> Talent.com (accessed March 023). <https://au.talent.com/>

In addition to wages that are already below those offered in primary and high schools, the ECEC sector is also struggling to compete with wages offered by local industries. In regional areas, particularly in Queensland, wages offered by the mining sector are far above those offered in ECEC, and for many roles no university qualifications are required.

For example, a Travel and Administration Coordinator role for a mining company based in Queensland attracts a salary of \$95,000 a year, with no higher level of education required, and only three years' experience. An Accommodation / Mine Site Camp Administrator role has a median salary of \$87,000 a year<sup>7</sup>.

Wages need to be raised across all role types and settings, but this is impossible for private and community providers to achieve without Federal Government support. The CLA proposes two options to consider in the Early Years Strategy that would help to increase wages and attract and retain the high-calibre teachers and educators who are critical in early childhood development:

- **Wage subsidies:** the Federal Government is responsible for regulating the childcare sector in Australia and putting in place the quality and qualification requirements; as such, it should support providers to attract and retain quality teachers and educators by providing wage subsidies. This would allow providers to pay teachers and educators an equitable amount, and one that reflects the value of their work in supporting Australia's children and families.
- **Tax-deductible childcare fees:** the strategy could include ensuring part or all of a family's childcare fees are tax deductible, particularly for working families where fees can cost almost 100 per cent of a 'second income'<sup>8</sup>, which is typically at the detriment of women returning to work after childbirth. If providers increased fees to cover increased wages, the impact on families of higher costs would be reduced if fees could be paid in pre-tax dollars. Tax-deductible fees would also provide some relief to families whose earnings from a second income only barely cover the cost of care.

### Incentives for regional ECEC staff

Given the current state of educational outcomes for children in regional communities is well below that of their city peers, ensuring the availability of high-quality early learning services is critical, but can only be achieved by attracting and retaining qualified professionals.

As such, further funding is required to attract more teachers and educators to live and work in regional communities, to address the shortfall of quality services. This could be offered in a manner similar to schemes run by state education departments.

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<sup>7</sup> MPI Recruitment Salary Survey (accessed March 2023). <https://www.mpirecruitment.au/Salary/Search>

<sup>8</sup> Hare, Julie. 19 May 2022. "'Rich' women spend 100pc of pay on childcare." *Australian Financial Review*. <https://www.afr.com/work-and-careers/education/even-rich-women-struggle-to-come-out-ahead-after-childcare-fees-20220519-p5amn7>



For example, the Queensland State Education Department offers additional benefits for teachers living and working in rural and remote communities, including<sup>9</sup>:

- financial support for individuals and families through the Recognition of Rural and Remote Service (RoRRS) scheme
- relocation assistance
- subsidised housing (in some locations)
- tailored induction
- more opportunities for career progression
- professional learning and wellbeing support from Centres for Learning and Wellbeing, and Teacher Learning Centres.

As an example of how this scheme benefits teachers and their families, a family of two adults, two children (one under two years old) considering relocating to Far North Queensland and working at Cooktown State School would be eligible for a total annual benefit of \$18,500 (full-time, annual payments; pro-rata for part time). A single adult, with no children looking to relocate to Central Queensland and work at Moranbah State School would be eligible for a total annual benefit of \$1,982 (full-time, annual payments; pro-rata for part time)<sup>10</sup>.

In addition to these benefits, teachers in regional or remote Queensland schools are also offered:

- An annual recognition of service payment for eight years while remaining in remote schools, with the value increasing from years 1-3, and remaining at the third-year rate for years 3 to 8
- Depending on location, the teacher and their family may be eligible to receive additional return flights to and from their regional location
- Beginner teachers may be eligible for an additional 'beginner teacher payment' of \$1,000-\$2,000
- Depending on location, the teacher may be able to access subsidised housing
- Receive assistance to move to the new community
- May be eligible for other allowances and benefits such as specified sites allowance; reduction of HELP debt; access to Professional Learning Grant to undertake Master of Education.

A scheme like this offered for Early Childhood Teachers and Diploma-qualified Group Leaders would result in more qualified professionals relocating to regional communities, improving the quality and quantity of early learning services.

### **Support to address HECS-HELP debts**

Additionally, the Federal Government should extend the definition of 'very remote Centre Based Day Care service' currently used for offering reductions or waivers of HECS-HELP debts to early childhood

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<sup>9</sup> Queensland Government. 'Rural and remote benefits'. Updated 13 February 2023.

<https://teach.qld.gov.au/teach-in-queensland-state-schools/pay-benefits-and-incentives/rural-and-remote-benefits>

<sup>10</sup> All figures as of March 2023, based on the Queensland Education Department's online calculator.

teachers. Under the current scheme, an early childhood teacher can apply for a waiver of indexation on their accumulated debt or reduction of their accumulated debt (if their debt relates to their initial teacher qualification).

However, the scheme does not extend far enough to support regional communities, due to the restrictive definition of 'very remote area', based on the Australian Bureau of Statistics' 'Remoteness Structure'. Under this definition, there is a very small number of NQF-approved centres are considered 'very remote' - **in Queensland, only 19 centres appear on this list**. Considering the majority of Queensland residents live outside of the greater capital city area; the greater proportion of Aboriginal and Torres Strait Islander children living in regional, rural, and remote communities; and the educational and lifetime outcomes of children in these communities is falling well behind others, this definition of 'remote' needs to be extended. This would incentivise more Early Childhood Teachers to consider relocating to these communities - which would ultimately improve the availability and quality of early learning services. With access to these services, more children would have the opportunity to have an equitable start in life.

*“High-quality childcare experiences are consistently related to better outcomes for children in general, and especially for low-income children... experimental studies have shown that the effects of at least moderate- to high-quality care are evident through adulthood. High-quality care ... involves close teacher–child relationships, frequent sensitive interactions between the child and the teacher, high-quality instruction, and respectful and effective behavior management. High-quality care also involves other features, such as a rich physical environment.”<sup>11</sup>*

#### Recommendation 2: Provide professional learning subsidies for ECEC professionals in regional areas

As noted in the National Early Years Strategy discussion paper (page 9), “positive experiences, relationships and environments in the early years (including the pre-birth period) support development and learning, and set children up for lifelong success in health, mental health, educational attainment, employment and relationships.”

Early learning services provide these critical relationships, experiences and environments. Children’s relationships with their trusted educators and teachers are vital to their learning and developmental outcomes. However, due to an inability to retain qualified early learning professionals to regional areas, children in these communities suffer from fractured relationships as a result of high staff turnover.

In order to ensure high-quality early learning experiences are available to children in regional communities, the Federal Government needs to support not only attraction and retention of early childhood education professionals, but also their ongoing professional development. Not only is continuous upskilling integral to the application of the National Quality

<sup>11</sup> Committee on Early Childhood Care and Education Workforce: A Workshop; Institute of Medicine; National Research Council. 15 November 2011. ‘The Early Childhood Care and Education Workforce: Challenges and Opportunities: A Workshop Report.’ <https://www.ncbi.nlm.nih.gov/books/NBK189908/>

Framework, it also provides high-quality learning experiences for children, and helps to attract and retain teachers and educators.

### **Provide access to local, tailored learning**

Government support is required to ensure there is equitable access to local, in-person and online learning opportunities. **Professional development also needs to be tailored to rural, regional and remote communities.** This should encompass topics such as cultural awareness (particularly for communities with a high Aboriginal and Torres Strait Islander population), working with isolated families, and supporting educators to bring unique community aspects into their programs to truly partner with and support families and children.

Many state and territory governments are offering similar programs and incentives for teachers who are living and working in schools in regional and remote communities. For example, in Queensland, teachers in remote communities have access to the same professional development offered to teachers in city locations, but are also supported by rural and remote Centres for Learning and Wellbeing, or Teacher Learning Centres.

In addition, teachers in these communities can be supported to pursue a national Highly Accomplished and Lead Teacher certification, and in some locations they are provided with specialised inductions and onboarding programs. Further, experienced teachers with at least two years' experience who are transferring to schools in targeted regions can apply for a professional learning grant to complete additional post-graduate qualifications in education.

By supporting tailored professional learning opportunities for early childhood teachers and educators in regional communities, the Federal Government has an opportunity not only to help address the shortage of professionals by incentivising relocation, but also to address the critical need to support children in these communities to have an equitable start in life.

### **Recommendation 3: Reduce the barriers to migration for qualified educators and teachers**

A key strategy to address the critical shortage of early learning professionals in regional communities (and Australia more broadly) is supporting the migration of skilled workers from overseas. Not only do these professionals help to ensure early learning centres can operate at capacity, but they also bring vital diversity to teams and learning programs.

Children in early learning settings where there is more cultural and linguistic diversity among the teachers and educators can benefit by identifying with educators of similar backgrounds to themselves; and observing educators from 'all cultures working together to develop cultural awareness and tolerance'<sup>13</sup>. In order to meet the Government's goal of providing the best possible start in life for Australia's children and families, it is important to not only ensure access to quality early learning, but also to diverse cultural experiences.

*Respect for diversity and working for equity are critical aspects of the work educators do every day to create a more socially just community for all.<sup>12</sup>*

However, the current immigration system creates unnecessary barriers for qualified educators and teachers who are willing to work in regional Australian communities. This means it is significantly more challenging for providers in these communities to operate at capacity (or at all, in some cases), and children are not benefiting from a culturally diverse ECEC workforce.

#### **Reduce requirements for skills assessment**

One barrier that should be removed is the need for a Skills Assessment for a Group Leader under the 494 Skilled Employer Sponsored Regional (SESR) (Provisional) Visa. Currently, Group Leaders applying for this visa also need to undertake a costly, cumbersome and time-consuming Skills Assessment (ACECQA fee of \$1,100 and up to four months to get a response).

The ACECQA Skills Assessment requires a person to prove they have 12 months of post-qualification, full-time experience. However, the 494 visa requires a person to have three years of experience, which does not need to be post-qualification, meaning previous experience in different roles is considered. This means there are two separate requirements for professionals applying for the 494 visa. By removing the ACECQA requirement, the Government could reduce the double-handling and time of applications, while still ensuring a person has relevant experience to provide quality education and care.

**Removing the ACECQA-facilitated skills assessment could also help encourage more qualified educators to consider migrating to Australia to take up Group Leader roles.** Given the critical shortage of educators Australia-wide - which is amplified in regional communities - this is a simple but significant step that could contribute to a solution, without compromising quality.

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<sup>12</sup> PSC National Alliance. 'Inclusion Fact Sheet: Exploring diversity and equity in education and care services'. <https://www.acecqa.gov.au/sites/default/files/2021-01/ExploringDiversityAndEquityInEducationAndCareServices.PDF>

<sup>13</sup> Qi, Yan & Campbell, Marilyn. (2002). 'Encouraging Diversity in the Early Childhood Education and Care Workforce.' *Australasian Journal of Early Childhood*, 47(3), pp.233-240. Accessed via <https://eprints.qut.edu.au/234997/1/114855491.pdf>

### Reduce processing times for critical occupations

The long visa application processing times currently being experienced by professionals applying for critical Group Leader roles is undermining efforts to address staff shortages in the ECEC sector. Applications for 482 visas for Early Childhood Teachers and Child Care Centre Managers are currently being processed very quickly, as these roles are prioritised by the Government, and there is no skills assessment required. However, Group Leader positions are not on the Government's skills shortage list, and as such applicants for these roles can only apply for a 494 visa. The 494 visa is not prioritised, meaning some applicants are waiting up to three or four months for their application to be processed. These long wait times are putting extra pressure on an already-struggling sector, particularly in regional communities where staff shortages are amplified.

Given the Government has acknowledged these roles are critical; knows the importance of quality early learning experiences for children's learning and development; and has recognised the necessity to address the needs of children and families in regional communities, **494 visa applications should be assessed as a priority**, to get more qualified personnel into the sector more quickly. Alternatively, Group Leader roles could be added to the list of priority occupations, and **Group Leaders could be allowed to apply for the 482 visa**, which doesn't require a skills assessment – removing another barrier to addressing the shortage of skilled ECEC workers.

### Clarity, simplification and consistency of skills requirements

There are a number of elements of the visa application process that not only result in additional barriers to applicants, but prolong the visa application time, making it harder for early learning providers in regional areas to adequately staff their facilities.

For example, professionals who are applying for Group Leader positions are required to meet a 'functional level' of English language as part of the skills assessment for the 494 visa. This requirement does not exist if you studied in Australia for two years. However, applicants applying from overseas (who do not live in a few select countries), are required to undertake an English language assessment, even if the entirety of their schooling was in English. This can be assessed on a case-by-case basis, however this is not clear to applicants. Therefore, many will go through the costly, time-consuming process of undertaking an English assessment when they could be exempt.

Additionally, during the process of the 494 visa application, **the same information needs to be supplied twice at different stages**. At the second stage, a Regional Certifying Body (RCB) checks and confirms there is no other equivalent workers in the region where the applicant is applying for work. The same forms a person supplies to the RCB also need to be supplied later in the visa process to the Department of Immigration. Failure to supply the documents means a person's application may be denied; there is a provision for appeal, but again, this is not clear or consistently applied.

There is also a lack of consistency in the requirement for registration as a teacher across the states – currently, there is no requirement for an Early Childhood Teacher teaching in an early childhood centre in Queensland or the ACT to be registered, but all other states and territories have this requirement. Again, this creates confusion and further complicates the application process.

Finally, the new Designated Area Migration Agreements (DAMA), while designed to entice more overseas workers to regional areas, are also problematic. The regions are often restrictive (for example, the town of Moranbah in central Queensland is not in a DAMA area despite its location and size, but just a few hours north there are DAMA regions), meaning many regional communities are missing out on the opportunities the DAMAs are meant to deliver. **Providers in regional communities either miss out on having access to the scheme (which offers concessions on salary, English skills, and age), or need to develop their own labour agreements, which is time-consuming and costly.**

The Federal Government should reduce the ‘red tape’ of applications; increase the reach of DAMA regions; and allow Group Leaders to be eligible for the 482 visa to help address the skills shortage that is amplified in regional communities.

#### Recommendation 4: Ensure the children and families of all migrant workers can access free schooling and the Child Care Subsidy

Depending on the type of visa an individual or family applies for, they may or may not be eligible for free education through state-run schools or the Child Care Subsidy. Considering the relatively low wages offered to early learning professionals, these extra education and care costs create another barrier to migration. Additionally, not all migrants are eligible to enrol in Medicare, meaning further potential costs and perhaps a reluctance to seek health care when required, for themselves and their families.

If the Federal Government is to tackle the challenge of improving early childhood experiences for children and families, then equitable access to quality early learning needs to be a priority. But access is reliant on having skilled workers to staff the sector, particularly in regional communities where it is even harder to attract and retain early childhood teachers and educators.

#### Require all state and territory-run schools to offer free education to migrant families

While the current immigration system is currently overseen by the Federal Government, different states and territories have different rules regarding the provision of free education for the children of migrants. **Allowing this disparity between the states and territories undermines the Federal Government’s governance of immigration in Australia.**

For example, in Queensland, the children of migrants on the 482 visa are eligible for free schooling; in some other states, like South Australia, families must pay a fee (in full or discounted), often in advance. Not only is this expensive, but the cost is further compounded for families who are migrating from countries with unfavourable exchange rates. These rules need to be consolidated under one federal



banner, ensuring that no matter what state or territory a family lives in, they still have access to free quality education.

**All children in Australia - no matter their origin or visa status - deserve access to free, quality education and care.**

#### **Ensure the Child Care Subsidy is available to all early learning professionals**

Under the current rules, to receive the Child Care Subsidy (CCS), the claimant or their partner must be an Australia resident (or eligible non-resident) as defined under the Social Security Act 1991<sup>14</sup>. A 'resident' must be an Australian citizen; a permanent residence visa holder; or a protected Special Category visa holder from New Zealand.

Not all visa types are considered 'permanent residents', and as previously mentioned, there are many barriers to visa applications for skilled migrants. Additionally, once considered a permanent resident, a family needs to be settled for two years in order to access CCS. For those migrant families who have already spent a vast sum of money on applying for visas and relocating to Australia, if they are not considered 'permanent residents' or have to wait an additional two years to access CCS, then the costs of childcare - particularly for those who work in the sector and receive lower wages - will be prohibitive. **Prohibitive costs mean children may not be able to participate in quality early learning programs, and puts pressure on families to find other means of care.**

#### **Ensure migrant families are able to access healthcare**

Under the current rules, Early Childhood Teachers and Centre Managers who enter Australia on a 482 voucher are required to have their own private health insurance. These workers and their families do not have access to Medicare. **This is an additional, often exorbitant cost, particularly for migrants with children who are living off under-par wages.** Furthermore, it may deter some families from seeking health care when they need it, leading to poorer outcomes for their children.

However, migrants on the 494 visa do have access to Medicare and schooling. This is another example of the inconsistencies that cause confusion and a lack of equity not only between migrants and Australian residents / citizens, but also among the migrant cohort itself.

The Government should ensure all migrant families have equitable access to Medicare, particularly given the current ECEC sector wages, and to ensure all children – regardless of origin – have the opportunity to access necessary health care in Australia.

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<sup>14</sup> Australian Government Department of Education. Modified 7 March 2022. 'Eligibility for Child Care Subsidy'. <https://www.education.gov.au/child-care-package/child-care-provider-handbook/appendix-child-care-subsidy/eligibility-child-care-subsidy>

**Recommendation 5: Facilitate portable long service leave between employers, to encourage our educators to stay in the sector long term**

To incentivise and encourage more early learning professionals to relocate to regional communities, the Government should develop a Portable Long Service Leave (PLSL) scheme for the sector. Currently, if an individual accrues long service leave while working for an early learning provider, they will lose that accumulated leave if they take up a position at another employer.

PLSL schemes are currently used in other industries and overseen by state and territory governments. For example, in Queensland, PLSL is available to workers in the building and construction industry, and the community services sector. While the formats of the schemes differ between the different industries, the concept remains the same - a sector replaces the employer. An individual working in the sector for a set period of years (typically 10-15 years) is entitled to a period of paid long service leave (pro ratas are applied), no matter how many employers they work for in that industry during the eligible period. The leave acts as recognition for a person's continuous service to their industry. In Queensland, the schemes work by employers committing to a contribution to a statutory body (QLeave)<sup>15</sup>.

As the Federal Government is the national regulator of the ECEC sector, it should establish a statutory body and relevant legislation to govern PLSL for early learning professionals. Contributions from employers in the sector could help fund the scheme (which may be more amendable, as the management and processing of long service leave would be far reduced for individual employers).

**With the comfort of knowing their long service leave is protected, no matter which employer they work for, early childhood teachers and educators may be more willing to relocate and take up a new position in a regional community.** This would help to address chronic staff shortages, and help provide more access to quality early learning for children and families in these communities.

**Recommendation 6: Co-create a housing solution with State and Territory governments to ensure regional communities are safe, affordable homes for early childhood professionals.**

The costs of living are rising across Australia, and these costs are amplified in regional communities. The long distances between regional centres results in higher supply chain costs. An undersupply of suitable housing means higher demand, and therefore higher rent costs. These costs are further inflated in communities where there is a large proportion of 'fly-in, fly-out' (FIFO) workers who are receiving relatively high salaries, and can afford to pay a higher accommodation fee. This 'prices out' individuals who earn less, including early learning teachers and educators.

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<sup>15</sup> Postle, Russell. Updated 9 November 2020. 'Article: Portable Long Service Leave extension in Queensland - community services.' BDO Australia. <https://www.bdo.com.au/en-au/insights/not-for-profit/articles/portable-long-service-leave-extension-in-queensland-community-services>

For example, in the central Queensland town of Moranbah, the average rental price for a unit is \$500 per week<sup>16</sup>. **This means an early childhood educator will spend around 43 per cent of their income on housing, well above what is considered 'housing stress' of 30 per cent of income<sup>17</sup>.**

If children and families in regional communities are to benefit from quality early learning services, then these communities need to be attractive, safe places for sector professionals to live and work. When suitable housing is not available or not affordable, it creates another barrier to the attraction and retention of early learning educators and teachers.

#### **A coordinated approach to the provision of housing**

To date, there has been little meaningful or coordinated action to address these housing challenges, particularly in regional communities. Private businesses have contributed to meeting some of the demand, along with community service providers. But these efforts are not enough to meet the needs.

*Professor Karen Thorpe, University of Queensland Brain Institute, on the impact of high staff turnover on young children:*

*"Some of our research that we've recently reported shows that emotional attachment, and that emotional support and emotional quality of care, has effects on children's language development, but also we've done some data linkage to show it has effects right through to secondary education.*

*"We need to more strongly advocate that these are not just childcare workers.*

*"They are seriously important educators at the most serious point in human development."<sup>18</sup>*

While housing is within the remit of state and territory governments, the Federal Government also has a role to play in the provision of public housing. A more coordinated approach between state and federal governments and other housing agencies is required to meet the need. The Federal Government could also consider options such as Private Public Partnerships to help address the demand.

#### **Rental subsidy incentive**

Housing assistance for early childhood educators is unlikely to be delivered via providers due to the costs involved, and resources required to manage such a scheme. Very few providers are large enough or profitable enough for a rental subsidy to be considered.

As such, the Federal Government should consider a **rental subsidy offer for early childhood teachers and educators who are relocating to regional communities as part of a broader incentive scheme**. This subsidy could be a standard payment depending on location,

<sup>16</sup> Desktop research undertaken by Astute Early Years Services, October 2022

<sup>17</sup> Australian Institute of Health and Welfare, 'Housing affordability', 30 June 2021. <https://www.aihw.gov.au/reports/australias-welfare/housing-affordability>

<sup>18</sup> McCutcheon, Peter. 10 August 2022. 'Childcare sector reaching crisis point over workforce shortages and low wages.' ABC News Online. <https://www.abc.net.au/news/2022-08-10/childcare-early-education-crisis-point-workforce-shortages-wages/101319424>

similar to the incentives offered by state education departments, and increased year-on-year in line with inflation for a period of up to three years. A yearly rental subsidy, with a yearly increase, would not only mean early childhood professionals could access suitable and safe housing options, but would also incentivise them to stay in these communities for longer.

**Incentivising staff to stay in communities for longer means improved continuity of care for young children, and would ensure the development of those critical, trusted relationships children need in the early years if they are to thrive.**

The subsidy could also be a joint effort between state and federal governments, in acknowledgement of the joint ownership of these issues. Providers who have profit margins over a certain threshold and who own and run services in regional communities could also be asked to contribute to such a fund, along with local industries where they are contributing to the housing shortage.