



Australian Government



Jobs and Skills Australia

Early Childhood Education and Care Capacity Study

Consultation Paper

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What is a capacity study?

Jobs and Skills Australia (JSA)'s capacity studies will assess the current and future demand for, and supply of, labour and skills in a critical area of the economy. They will also make recommendations on how skill shortages (or surpluses) can be addressed, within set time, resource and legislative constraints and government objectives.

JSA has established an ongoing capacity study function to:

- bring together subject matter experts, data specialists and people with stakeholder engagement expertise
- be informed by project Steering Groups, with key stakeholders directly represented
- provide a detailed assessment of labour and skills supply and demand, employment arrangements, and education, training, and migration pathways
- produce long-term modelling of future workforce demand and supply.

About the Early Childhood Education and Care Capacity Study

The Government has commissioned JSA to undertake a capacity study on the workforce needs for Australia's Early Childhood Education and Care (ECEC) sector. The capacity study will be undertaken in partnership with [HumanAbility](#), the Jobs and Skills Council with responsibility for the Children's Education and Care, Aged and Disability, Health, Human Services and Sport and Recreation industries.

The ECEC Capacity Study will provide critical evidence, insights and recommendations as appropriate to support current and future workforce planning, including a detailed understanding of the current state and future needs of the sector's workforce to support the development of Government strategy and vision on early years education and care of Australia's children.

The ECEC Capacity Study will be conducted with consideration of the [Productivity Commission's](#) and [Australian Competition and Consumer Commission \(ACCC\)'s](#) inquiries into the ECEC sector in Australia, and other policy developments. It will focus on ECEC

workforce and skills issues, particularly attraction and retention, including incentives, to complement both inquiries broader scope of examining ECEC and the impacts on Australia's economic growth and outcomes for children and families.

The ECEC Capacity Study will also identify and analyse occupations for each of the different parts of the sector (pre-schools and kindergartens, centre-based day care, family day care, home-based care, outside school hours care, including services delivered through Aboriginal Child and Family Centres (ACFCs) and Aboriginal Community Controlled Organisations (ACCOs)), their respective supply and demand factors, and geographical considerations to understand factors that impact training, attracting, and retaining the ECEC workforce.

The draft Terms of Reference for the ECEC Capacity Study have been published for a consultation period which closed on the 20th November 2023 and an updated draft is available at [Appendix A](#).

How can you get involved?

JSA's approach to stakeholder engagement activities is informed by JSA's Engagement and Outreach Strategy for major in-depth studies.

By seeking diverse views for this study, JSA and HumanAbility will gain a deeper understanding of current and future workforce demand and supply factors to improve the advice to Government on the sector's longer-term workforce needs.

As part of the stakeholder engagement and partner consultation of the ECEC Capacity Study, this Consultation Paper invites submissions from the public on the key issues the study will consider. An effective and adaptive approach to engagement and consultation will ensure diverse voices inform the Study's Final Report. JSA will report on interim findings by February 2024, followed by a Final Report by May 2024.

Submissions in response to this Consultation Paper are due by 1pm AEDT on Thursday 11th January.

➔ **Please send your feedback along with the submission form or any further questions to ECECworkforce@jobsandskills.gov.au.**

Further information about JSA's current consultation activities is available on the [consultation](#) page on the Jobs and Skills Australia website. You can also [Connect with us](#) at any time using the online form.

Consultation guiding questions

The main outcome of the ECEC Capacity Study is to help inform policy around workforce supply and demand in the ECEC sector. To support collaboration, we have prepared guiding questions below that correspond with the Terms of Reference for the ECEC Capacity Study and would appreciate your input.

The guiding questions are not intended to be prescriptive. You do not need to respond to every topic and may choose to respond to some or all of the questions. Written submissions may also highlight other issues, so long as they remain directly relevant to the Terms of Reference.

Overview and current state

The ECEC Capacity Study seeks to establish an overview of, and analyse, the current state of the ECEC sector workforce – including but not limited to demographic and geographic composition, occupation, skill level, job mobility, numbers of employers and employees, job vacancies, sector pay and working conditions, traineeship numbers, and labour cost.

Guiding questions that support the development of this overview include:

1. What are the challenges and opportunities facing the ECEC workforce? How do different ECEC service delivery types (e.g. centre based care, family day care, pre-school) impact workforce challenges and opportunities?
2. Are there differences between workforce requirements or demand (for example, employer needs) and supply (for example, jobseeker availability and skills)?
3. How well is the current system responding to workforce challenges?
4. What factors are driving or deterring workforce attraction, retention, and career progression in the ECEC sector? What factors are driving attrition?
5. How do current governance and regulatory settings impact the ECEC workforce?
6. Have we missed any occupations from the proposed list ([Appendix B](#)), or should any occupations be omitted from the scope of the capacity study and why?

Future of the workforce

The ECEC Capacity Study will analyse future demand (at the national, state, and regional level) for ECEC roles over 10 years based on different systemic and population scenarios, alongside the impact on demand for employment in intersecting sectors that the ECEC workforce may come from, or leave to work in. Guiding questions that will help support this analysis include:

7. What are the emerging developments and trends in the ECEC sector and how will these impact the future workforce?
8. What are the future needs for the ECEC sector and workforce, and what might influence these requirements?
9. Are there any specific novel skills and capability requirements emerging in the ECEC sector? How have workforce requirements in ECEC changed over time?

Pathways and qualifications

The ECEC Capacity Study will analyse the potential supply (at the national, state, and regional level) of the ECEC workforce over the next 10 years. As part of this, the study will identify the enablers and barriers faced by universities, TAFEs and other education and training providers to attracting and supporting students in ECEC, including any differences between states and territories. To inform these analyses, some guiding questions are:

10. How does the ECEC sector provide career progression? Do qualification recognition arrangements support the development of the sector?
11. Are the mechanisms for recognising prior learning and experience being used effectively to recognise workers' skills and knowledge?
12. How is the education and training system responding to the need for a skilled ECEC workforce? Where are the opportunities and challenges? Are there enablers and barriers in providing ECEC training (e.g., jurisdictional differences)?
13. What attracts students to ECEC training courses and workers to ECEC roles? What influences job mobility across roles and sectors?

Participation and engagement

The ECEC Capacity Study seeks to understand the dynamics of participation and engagement in the ECEC workforce and how these might affect the workforce over the next 10 years. As part of this, it will explore opportunities for, and barriers to, full participation in the ECEC workforce for priority cohorts, including but not limited to First Nations people, people in rural, regional, and remote areas, people with disability and people from culturally and linguistically diverse backgrounds. Guiding questions that support this inquiry include:

14. What influences patterns of work in the ECEC sector, e.g. performing multiple roles or working in different services?

15. What factors influence workforce participation for priority cohorts including First Nations people? What are the enablers and barriers to support the development of a diverse workforce in the sector?
16. How do wages and working conditions (including location) interact with workforce participation? What factors could be considered?
17. To what extent do employers/the sector invest in professional development to support workers' career progression, retain workers and improve services?

Other insights

The Capacity Study focuses on ECEC workforce and skills issues, particularly attraction and retention, including incentives. These guiding questions elicit further information relevant to the study's scope.

18. Are there experiences in other countries with comparable economies or other industry settings that could be considered?
19. Are there innovative practices or case studies of workforce participation that could be highlighted?
20. Are there any additional insights you would like to provide? Please provide details of any other information, relevant to the Terms of Reference of the ECEC Capacity Study, that could be considered?

Further consultation processes

As the ECEC Capacity Study progresses, JSA and HumanAbility will work to engage with stakeholders in a timely and targeted way to inform the final report. This includes ensuring stakeholders are engaged with consistently and meaningfully, alleviating stakeholder fatigue and avoiding the duplication of effort.

JSA and HumanAbility will ensure engagement with the study is safe, sensitive, and appropriate, by providing opportunities to have a say and by seeking genuinely representative insights on the ECEC workforce from diverse groups. We seek to actively listen to the lived experience of First Nations people, people with a disability, culturally and linguistically diverse groups, and people from rural, regional and remote locations. The Capacity Study team will consider ways of reaching groups with less accessibility to the work of government and enhance this wherever possible.

How we collect, hold, use and disclose any of your personal information will be managed in accordance with the [Privacy Act 1988](#) (the Privacy Act) and to the requirements of the [Australian Privacy Principles](#) contained in the Privacy Act. This will include managing data collected through submissions, and other engagement activities.

APPENDIX A: Updated Draft Terms of Reference

Overview

The Government has commissioned Jobs and Skills Australia (JSA) to undertake a capacity study on the workforce needs for Australia's Early Childhood Education and Care (ECEC) sector. The Capacity Study will be undertaken in partnership with HumanAbility, the Jobs and Skills Council with responsibility for the early childhood education and care sector. The study will provide critical evidence, insights and recommendations as appropriate to support current and future workforce planning, including a detailed understanding of the current state and future needs of the workforce to support the development of Government strategy and vision on early years education and care of Australia's children.

The ECEC Capacity Study will be conducted with consideration of HumanAbility's workforce planning mandate and industry engagement, the [Productivity Commission's](#) and [Australian Competition and Consumer Commission \(ACCC\)](#)'s inquiries into the ECEC sector in Australia, and other policy developments. The ECEC Capacity Study will focus on ECEC workforce and skills issues, particularly attraction and retention, including incentives, to complement both inquiries broader scope of examining ECEC and the impacts on Australia's economic growth and outcomes for children and families.

Scope

The ECEC Capacity Study will identify and analyse occupations for each of the different parts of the sector (pre-schools and kindergartens, centre-based day care, family day care, home-based care, outside school hours care, including services delivered through Aboriginal Child and Family Centres (ACFCs) and Aboriginal Community Controlled Organisations (ACCOs)), their respective supply and demand factors and geographical and cohort considerations to understand factors that impact training, attracting, and retaining the ECEC workforce.

It will:

1. Report on the current state of the ECEC sector workforce – including but not limited to demographic and geographic composition, occupation, skill level, job mobility, numbers of employers, job vacancies, sector pay and working conditions, traineeship

numbers, and labour costs – in a manner consistent with HumanAbility’s Workforce Plan

2. Analyse future demand (at the national, state, and regional level) for ECEC roles over 10 years based on different systemic and population scenarios, alongside the impact on demand for employment in intersecting sectors that the ECEC workforce may come from, or leave to work in
3. Analyse the potential supply (at the national, state, and regional level) of the ECEC workforce over the next 10 years by:
 - a. examining the education, training and professional development pathways that will support workforce entering the ECEC sector.
 - b. identifying the underlying drivers of attrition, retention, and career progression in the ECEC sector, including analysing the role of wages, hours of work and location
 - c. understanding the dynamics of staff performing multiple roles or working across multiple employers
 - d. understanding the needs for and impact of performing complex and diverse roles within the ECEC sector, such as supporting priority cohorts
 - e. exploring job mobility and skills transferability between different roles, settings, and regions within ECEC and between ECEC and other sectors
 - f. exploring the career transitions of those workers who have left the ECEC sector and factors that could induce them to return to the sector
 - g. considering international labour supply factors, such as the recognition of overseas qualifications in the sector and the impact of targeted migration programs
4. Identify the enablers and barriers faced by universities, TAFEs and other education and training providers to attracting and supporting students in ECEC, including differences between States and Territories
5. Explore opportunities for, and barriers to, full participation in the ECEC workforce for priority cohorts, including but not limited to First Nations Australians, people in rural and regional areas, people with disability and culturally and linguistically diverse Australians
6. Explore current and potential governance and regulatory settings that apply to the ECEC workforce
7. Consider the policy interactions between wages and workforce participation
8. Consider the experiences of the ECEC sector in other countries, especially those that have comparable economies and patterns of workforce participation to Australia.

Governance and Consultation

The ECEC Capacity Study will be underpinned by close consultation and collaboration with stakeholders. Consultation and stakeholder engagement for the capacity study will be co-designed by HumanAbility and JSA, ensuring HumanAbility's unique role in leading industry representation and engagement frames the approach. This will also include carefully planning stakeholder engagement to leverage existing processes where possible to minimise stakeholder burden.

The study will be overseen by a representative Project Steering Group, co-chaired by JSA and HumanAbility under the JSA's tripartite arrangement. Membership will include representatives from other key Australian Government agencies, State and Territory governments, industry peak bodies, employers, unions, universities, TAFEs and other training providers, and advocacy groups.

Jobs and Skills Australia will regularly brief and inform the Australian Minister for Skills and Training, Minister for Education, Minister for Employment and Workplace Relations and the Minister for Early Childhood Education on the study's progress and interim findings.

Process

Jobs and Skills Australia will report on interim progress by February 2024 and provide a final report by May 2024. The timing of the final report will ensure relevant evidence from industry for HumanAbility's 2024 Workforce Plan can inform it.

APPENDIX B: ECEC Occupations in scope

Occupation	ANZSCO – occupation code
Child Care Centre Manager	134111
Early Childhood (Pre-primary School) Teacher	241111
Child Care Worker	421111
Family Day Care Worker	421112
Nanny	421113
Out of School Hours Care Worker	421114
Aboriginal and Torres Strait Islander Education Worker	422111
Preschool Aide	422115