

Sector Snapshot

Victoria's Early Childhood Education
and Care (ECEC) Sector

December 2020



This document provides a snapshot of skills demand for the Early Childhood Education and Care (ECEC) sector in Victoria. The ECEC sector includes services that provide play-based education to young children. This snapshot primarily focuses on long day care services, but the sector also includes kindergarten, occasional care, outside school hours care (OSHC) and family day care.

Foreword

This document provides a snapshot of skills demand for the Early Childhood Education and Care (ECEC) sector in Victoria. The ECEC sector includes services that provide play-based education to young children. This snapshot primarily focuses on long day care services, but the sector also includes kindergarten, occasional care, outside school hours care (OSHC) and family day care. This snapshot provides a genuine understanding of the current and future (1-3 year horizon) skills and training requirements of the sector, with a focus on the elements of the workforce using VET courses and their career pathways. It also considers the impact of the COVID-19 pandemic on the future jobs and skilling needs of the sector.

The success of this work relied on insights from experienced employers within this sector to provide a sector-wide view of skills requirements and workforce challenges. A small representative group of employers from the long day care and OSHC sector were engaged in an employer roundtable to develop this snapshot. Insights from public data on the ECEC sector were presented and validated with participants.

The roundtable provided the opportunity for ECEC employers to input their view of priorities and requirements from the VET system in addressing sector skills issues. As such, this presents a picture of the demand side of the training market. This snapshot can be used by TAFE and training providers to better understand the ECEC sector's priorities in terms of occupation and skill demand to ensure the supply side responds appropriately to VET opportunities.

The Victorian VET system aims to deliver 'real training for real jobs' by providing up to date training for new challenges in the sector. This report is part of a series of sector snapshots which are being developed by the Office of the Victorian Skills Commissioner (OVSC). The set of sector snapshots complements the Commissioner's Regional Skills Demand Profiles to provide a richer picture of the skills needs of Victorian employers. Insights from consultations will inform Government decisions around funding for accredited training. A collaborative effort between Government, employers and training providers is required to address these challenges.

This snapshot represents a summary of the views of consulted employers and sector representatives on the foreseeable current and future skilling needs of the ECEC sector. As such, the OVSC has prepared the report with care and diligence, based on information provided through consultations. Information in the snapshot has not subsequently been independently verified or audited.

Acknowledgments

The OVSC would like to acknowledge the time, contribution and insights of participating employers, the Community Child Care Association and the Australian Childcare Alliance in supporting this process. The findings in this report would not be possible without their shared knowledge, openness, generosity, expertise and commitment.

Table 1: Participating Employers

Member	Organisation
Brian Newman	Chair of the Children’s Education and Care Industry Reference Committee
Julie Price	Community Child Care Association Inc
Nicole Llewellyn	Kool Kidz Mill Park
Paul Mondo	Bimbi Day Care and Australian Childcare Alliance
Rob Johnson	Little Swans Early Learning Centre, Swan Hill
Sally Orr	KingKids Early Learning
Sharyn Veale	Wheelers Hill Primary School OSHC

SUMMARY

VICTORIA'S EARLY CHILDHOOD EDUCATION AND CARE SECTOR

Approximately 50,000 workers across Victoria

Approximately 6,000 additional workers required

Two up to date, recommended pathways to employment

Three-year old kinder driving sector growth in teachers and educators

Long day care is growing compared to other sub-sectors

Strict regulation drives training needs and staff ratios

CAREER PATHWAYS AND TRAINING



Notes: This diagram focuses on long day, care, occasional care and kindergarten. In Outside School Hours Care other relevant qualifications include the Certificate IV and Diploma in School Aged Education and Care

SECTOR WORKFORCE PRIORITIES

- ▶ Communicate employers' preference that workers complete the Certificate III in Early Childhood Education and Care before enrolment in the Diploma in Early Childhood Education and Care
- ▶ Ensure VET graduates are appropriately prepared for the ECEC sector, including through contextualised learning resources and high-quality placements and feedback from employers.
- ▶ Consider expansion of Independent Assessment following completion of the pilot for trainees undertaking a Certificate III in Early Childhood Education and Care
- ▶ Support a targeted training pathway for entry-level workers to acquire the skills required to work in Outside School Hours Care
- ▶ Monitor the impact of the 3-year-old kindergarten policy on workforce supply, particularly in regional areas and consider options to attract early childhood teachers to regional communities

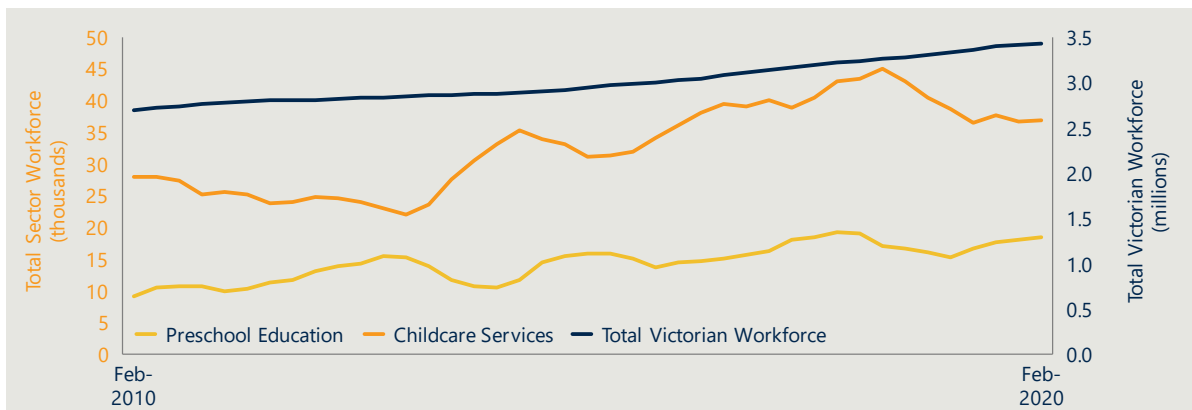
1 Sector overview

The early childhood education and care sector has grown over the past 10 years

The early childhood education and care (ECEC) sector is comprised of services that provide play-based education to young children. There are several types of ECEC offered in Victoria. This sector snapshot focuses primarily on long day care, which is a centre based early childhood education program offered to children during working hours. Many long day care centres also offer a kindergarten (pre-school) service to children aged 3-4, delivered by a quality teacher for around 15 hours a week, but kindergarten is also delivered in stand-alone sessional kindergartens. Other types of ECEC include occasional care, family day care and outside of school hours care (OSHC) – which unlike other types is targeted at school age children.

There are approximately 50,000 employees working in the ECEC sector in Victoria, including the preschool education workforce which is made up of staff delivering kindergarten programs, in long day care or standalone centres, and the childcare services workforce which covers all other education and care services. As shown in Figure 1, the pre-school education workforce grew at an annual rate of 3.7 per cent between 2010 and 2020 and the childcare services workforce grew at 3.6 per cent per annum, exceeding the growth rate of the broader Victorian workforce (2.4 per cent). Workforce numbers have been volatile over the past ten years and are subject to seasonal demand, with the workforce decreasing from December to February each year when parents are less likely to be at work.

Figure 1 | 12-month rolling average workforce size, Feb '10-'20¹



Drivers of growth for the ECEC sector include workforce participation and population growth. Government investment in ECEC is another critical factor affecting the size of the sector. The Australian government supports parents to meet the cost of childcare through the Child Care Subsidy. In addition, the Victorian government has historically funded kindergarten for all four-year-old children and has commenced roll-out of kindergarten to all three-year-old children across the state by 2022. The sector is regulated by national law and regulations, implemented at a state level. The Australian Children's Education and Care Quality Authority (ACECQA) is responsible for quality standards for the sector, including ratios of childcare workers per child. Changes to these ratios have potential to increase the numbers of educators required across the sector and may therefore also stimulate workforce growth.

Across the sector as a whole, 49 per cent of services are run by for-profit organisations, 33 per cent are run by private not-for-profit organisations, 15 per cent are delivered by state or local government and 3 per

¹ABS Labour Force Survey, August 2020

cent by catholic or independent schools.² Each service type is delivered by a mix of different providers across these categories, but there are some trends in delivery. Long day care and family day care are dominated by private providers; standalone kindergartens and occasional care are often run by local governments; and OSHC is usually linked to a primary school, but may be outsourced to a third party provider.

Business models vary across market segments and according to size

There are 4,270 services offering ECEC in Victoria. 39 per cent of services offer long day care and occasional care, 28 per cent provide kindergarten, 29 per cent deliver OSHC and only 4 per cent of services offer family day care. Some providers may operate multiple service types across these categories, but the ECEC sector is dominated by small providers. 81 per cent of providers operate only 1 service, 18 per cent of providers operate 2-24 services and only 1 per cent of providers operate 25 services or more.³

Business models vary based on size and there are differences based on service type, as illustrated in Figure 2. In long day care and occasional care services, care is offered for at least 8 hours a day in line with standard business hours. Children in long day care usually attend for particular days each week on a regular schedule, whereas occasional care is a flexible service for families who do not need childcare regularly and children might attend for one hour or a full day on an ad hoc basis. Staffing ratios in these services vary according to the age of the children: for children 0-36 months the required ratio is 1 educator for four children; and for children 36 months to kindergarten age the ratio is one educator for 11 children. A small service with less than 60 childcare places may have 15-20 educators, whereas a large service with many rooms may employ over 100 educators. Each room of children is overseen by a room leader and services also employ an educational leader who oversees pedagogy across the centre. Services are usually run by a centre director and must also employ at least one qualified teacher. Larger providers will often employ a finance and administration role and very large providers will have additional management structures, including operations managers and state managers. An estimated 80 per cent of staff are employed on a permanent basis, either full time or part time, however providers also employ some casual staff to maintain flexibility.

Kindergarten services usually provide 15 hours a week of education to each child. Their hours of operation vary but tend to be aligned with school hours, with children attending for particular days of the week, for full or half days. Many long day care services run a kindergarten program and have kindergarten rooms, in addition to their other rooms, however there are also stand alone centres that offer kindergarten alone. Most stand-alone sessional kindergartens are small, with 1-3 rooms of 20-30 children aged 3-4. The smaller size of these services and shorter hours of operation mean services require a relatively small workforce. Regulatory requirements dictate that there must be at least one educator for every 11 children and there will generally be 2-3 early childhood educators in each room, including at least one qualified teacher per room, meaning a Kindergarten staff may range from 3-10 people. Stand alone kindergartens are often managed in clusters by an Early Years Management (EYM) organisation. These organisations are funded by the Victorian government to work with services and ensure care is of high quality and follows regulations. They also engage with parents, train employees and manage finances for the services. There are 53 EYMs in Victoria and they oversee 57 per cent of services,⁴ with the remainder of kindergartens operating their own management structures. Most early childhood educators in the kindergarten sub-sector are employed on a permanent part time basis.

OSHC is targeted at primary school aged children outside of school hours and during school holidays. One staff member is required for every 15 children over kinder age. OSHC services are usually connected to a school, but schools may outsource these programs to a private external OSHC provider, which may be a

² Australian Children's Education and Care Quality Authority (ACECQA), National Quality Framework (NQF) Snapshot, September 2020

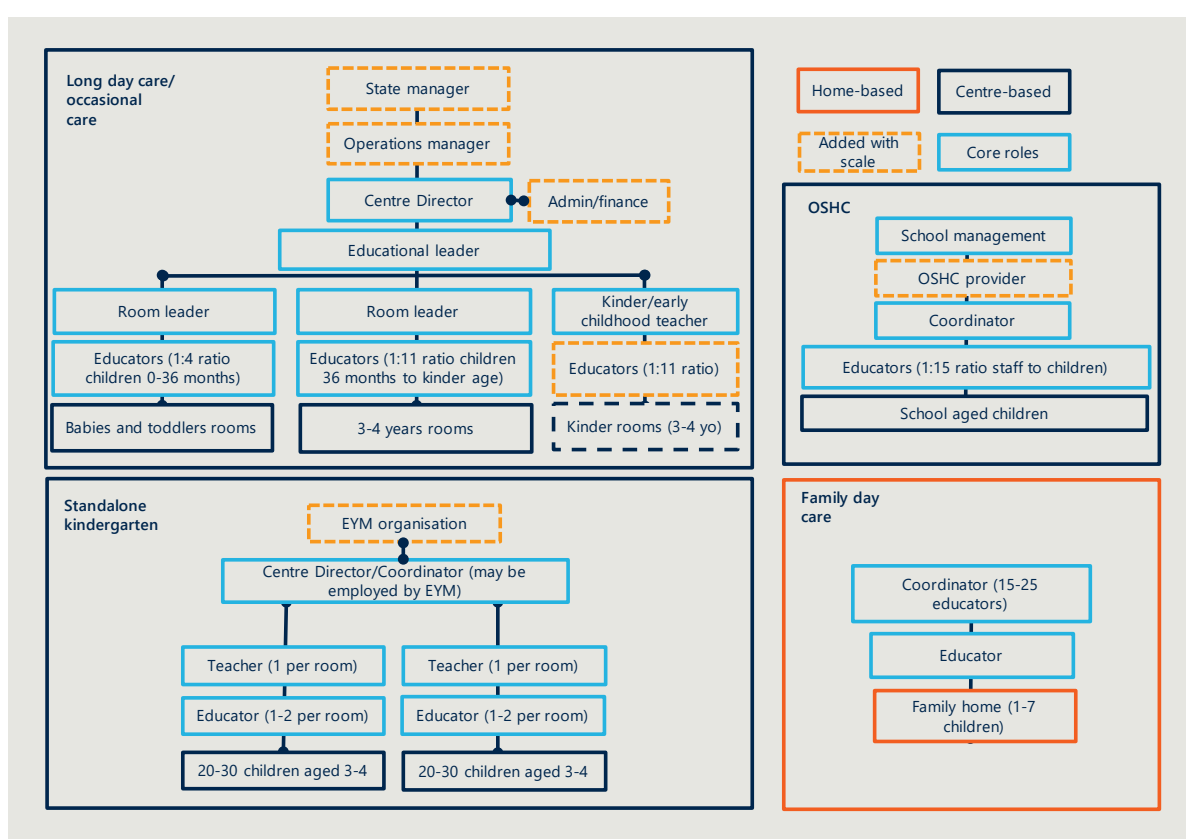
³ Australian Children's Education and Care Quality Authority (ACECQA), National Quality Framework (NQF) Snapshot, September 2020

⁴ VAGO, Early Years Management in Victorian Sessional Kindergartens, 15 October 2020

large business operating many OSHC programs. Within each school, OSHC services will employ 1-2 permanent staff, including a coordinator who is responsible for the day to day management of the service and compliance with regulatory requirements. The remainder of staff are employed on a casual basis.

Family day care is delivered by individual educators in their own home. Each educator can care for no more than 7 children, including a maximum of four children who are pre-school age or under. This ratio includes the educator’s own children if they are younger than 13 and there is no other adult present to care for them. Individual educators must be connected to an approved family day care service provider who is responsible for supporting educators to understand their legal requirements and access professional development. Providers must assign coordinators to support each educator, and for the first 12 months of operation a provider must employ one full time equivalent co-coordinator for every 15 family day care educators. This ratio changes to one coordinator for every 25 educators after the service has been operating for more than 12 months.

Figure 2 | Organisational structures

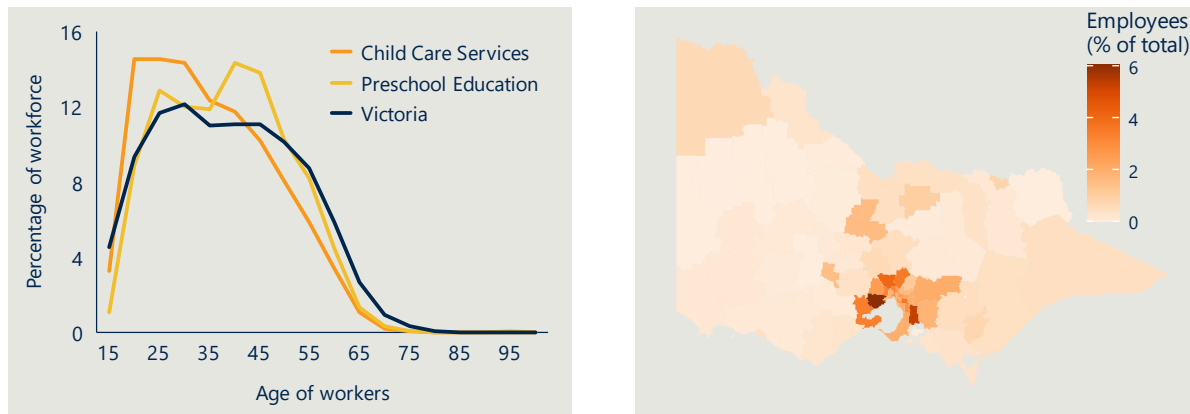


The workforce is mostly female and is concentrated in outer metropolitan areas

There are approximately 50,000 people working in the ECEC sector in Victoria,⁵ including 15,000 kindergarten/pre-school education staff and 34,000 childcare services staff. The workforce is overwhelmingly female across both kindergarten (97 per cent) and childcare (94 per cent), however the age distribution of these workforces varies significantly. The kindergarten workforce is older than the Victorian average with a high number of educators aged 45-55. The childcare workforce is young with a higher than average number of workers in their 20s. The ECEC workforce is distributed across the state with a high concentration of educators living in the western, northern and south eastern suburbs of Melbourne (see Figure 3).

⁵ABS Labour Force Survey, August 2020

Figure 3 | Age and geographical distribution of the workforce⁶



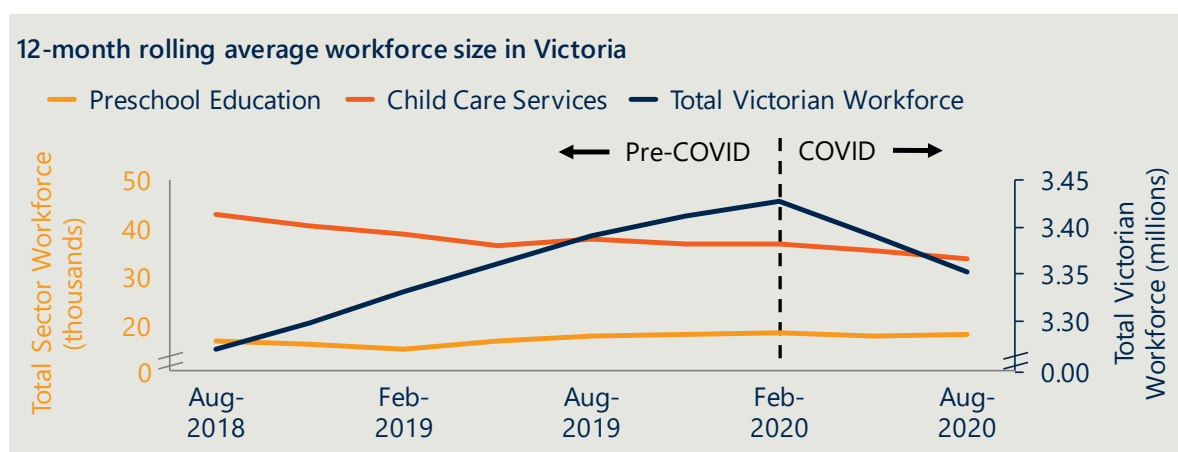
⁶ ABS Census 2016

2 Sector outlook and workforce implications

The long day care workforce has grown and has been insulated from the effects of COVID-19

Between September 2019 and September 2020 the number of childcare services across the state grew by 1 per cent, however growth has varied significantly by sub-sector. The number of long day care services in Victoria grew by 5 per cent, the number of kindergartens decreased by 1 per cent, OSHC grew by 1 per cent and family day care services decreased by 20 per cent.⁷ These changes reflect increasing regulatory requirements for family day care providers and an increasing trend towards kindergarten programs being offered in long day care centres. Workforce numbers over the same period reveal an increase in kindergarten/pre-school educators and a gradual decrease in child care workers over recent years (see Figure 4), however, these numbers also likely reflect the increasing number of long day care services that also offer an in house kindergarten service.

Figure 4 | Rolling workforce average August 2018-2020⁸



Employers report that supply of entry level workers has been adequate over recent years in metropolitan areas, however more senior roles are challenging to fill including Early Childhood Teachers and Educational leaders. Many employers reported that they had repeatedly advertised for these roles without success. In regional areas, employers note that growing the workforce is challenging and there is a particular skills shortage of Early Childhood Teachers. Some regional employers may take several years to fill an early childhood teacher role. In OSHC, coordinator roles are challenging to fill.

The workforce as a whole has been relatively insulated from the effects of the COVID-19 pandemic. While job advertisements dropped after the first lockdown, they recovered quickly, potentially due to the Australian Government's Free Childcare policy which ran from April to June 2020. Job advertisements dropped again during the peak of the second lockdown in Victoria, but also recovered fast as childcare was classified an essential service by the Victorian Government (see Figure 5).

⁷ Australian Children's Education and Care Quality Authority (ACECQA), National Quality Framework (NQF) Snapshot, September 2020

⁸ ABS Labour Force Survey, August 2020

Figure 5 | Monthly job postings September 2018–November 2020⁹



The impact of the COVID-19 pandemic has varied somewhat across different types of providers and due to other factors such as location. Employers report that most long day care services have maintained their places or grown. Services located in residential areas have been in a strong position due to their proximity and convenience for parents who have transitioned to working from home, whereas long day care centres based in workplaces or business areas saw a higher vacancy rate during the peak of the pandemic. The OSHC sub-sector was more severely affected by the pandemic than other ECEC services because school were closed, and parents with school-aged children had to supervise their children at home during school hours so there was reduced need for out of school hours services.

Continued growth is predicted for the long day care workforce

Employers expect that there will be reasonable growth in workforce numbers over the next 1-3 years. The government’s announcement that 3-year-old kindergarten will be fully rolled out across the state by 2022 has potential to drive increased workforce numbers, as there will be some new entrants to kindergarten whose parents had previously been unable to afford the cost of an ECEC program. The Victorian government predicts that the 3-year-old kindergarten policy will create 4,000 new kindergarten teaching jobs across the state. Many of these jobs may be redistributed from within the sector, as current educators transition into teaching roles, but the policy is also expected to create 2,000 new educator jobs.¹⁰ Apart from this growth associated with 3-year-old kindergarten, workforce growth will be modest over coming years. While the experience of COVID-19 has shown that ECEC is a highly valued and essential service to many families, particularly families of children below school age, slow population growth as a result of limits on immigration and a low birth rate will temper growth across the broader sector.

Continued redistribution of the workforce can also be expected across different service types. The growth of long day care is expected to be a continued trend and may be accelerated by the roll-out of 3-year-old kindergarten. Many stand-alone kindergarten services are small and have few rooms, therefore it will be challenging for them to offer new services without substantial changes to their delivery model and physical infrastructure. Long day care services already cater to 3-year-old children and may have greater capacity to accommodate 3-year-old kinder rooms. The shift towards long day care has also been accompanied by a growth in the number of private-for-profit services, which increased their market share by 4 per cent in Victoria between September 2019 and September 2020.¹¹ Employers believe the status of long day care as an essential service may attract more investment in the sector meaning there is potential for the private for-profit market to grow further.

⁹ Burning Glass Technologies

¹⁰ Department of Education and Training

¹¹ Australian Children’s Education and Care Quality Authority (ACECQA), National Quality Framework (NQF) Snapshot, September 2020

The outlook is less positive for other parts of the sector. Family day care is expected to continue to shrink as regulatory compliance remains challenging for operators. Outside school hours care may experience some recovery as parents return to the office, but employers believe that many parents will be more confident in their children’s ability to be home unsupervised after having built their capacity and independence during the COVID-19 pandemic.

Employers seek out employees with the personal attributes to deliver play-based learning

Early childhood educators offer a specialised play-based educational program to children, however, the role of educators is commonly misunderstood. Some parts of the community view ECEC as a babysitting service for busy parents, whereas educators have a strong focus on learning outcomes. Others perceive ECEC to be similar to school-based learning, whereas rather than standing at the front of a room and teaching, educators must sit with children and engage directly in play with them. Employers therefore primarily seek staff with an education mindset and an engaging manner with young children. Educators must practice positive communication, effectively and actively supervise children, be good at observing children closely, listening to them and identifying their interests skills and knowledge. They must also be able to apply approved learning frameworks and support children in their physical, social, emotional, cognitive and communication development. These core skills are applied differently for children of different ages.

As a highly regulated sector, employers also seek staff with a strong understanding of quality regulations and health and safety. Understanding of regulatory requirements becomes more important as staff progress to more senior roles in the sector. Leadership and coaching skills are also highly valued as employees progress to room leader, educational leader or centre director/coordinator roles. Key skills across the core roles in the ECEC sector are outlined in Table 2 below.

Table 2 | Key workforce skills for long day care

Role	Key skills
Educator	<ul style="list-style-type: none"> • Observing and listening to children • Positive communication • Developing a warm, positive and reciprocal relationships with children • Developing partnerships with families to support the care and education of their children • Supporting holistic development • Providing programs to support children’s growth and learning based on observations and knowledge • Supporting the health and safety of children • Preparing food for children • Facilitating compliance with quality standards
Room leader	<ul style="list-style-type: none"> • All the skills of an educator AND managing and people management
Educational leader	<ul style="list-style-type: none"> • All the skills of a room leader AND guiding educators to deliver pedagogical approaches
Teacher	<ul style="list-style-type: none"> • All the skills of a room leader with a deeper understanding of pedagogy

	<ul style="list-style-type: none">• Compliance with regulatory standards
Coordinator/Centre Director	<ul style="list-style-type: none">• Staff management and leadership• Financial management

The core skills of communication and engagement with children to deliver play-based learning will continue to be critical for all educators and teachers over coming years. It will be essential for the sector to attract and maintain a skilled workforce if it is to counter perceptions that ECEC is focused primarily on care rather than education.

While the broad skills of the workforce are likely to remain the same, the roll-out of 3-year-old kindergarten is expected to bring some changes. Kindergarten rooms must all be led by a tertiary-educated early childhood teacher meaning this workforce will need to grow in proportion to the educator workforce and will bring a stronger focus on pedagogy across the sector. The increased availability of kindergarten to disadvantaged families through the three-year-old kinder program may also mean that teachers and educators are engaging increasingly with vulnerable children and will need stronger skills in identifying risk and responding to vulnerability.

3 The role of training

Work placements are a common pathway into the sector

In long day care, kindergarten and occasional care, many educators enter the sector by undertaking a work placement within a centre while they are completing a Certificate III or Diploma in Early Childhood Education and Care, as work placements are mandatory for both of these courses. Employers value work placements as a way of ascertaining whether prospective employees have the personal qualities to succeed in the job. Formal traineeships also occur in the sector but are relatively rare and only made up 14 per cent of enrolments in the Certificate III in Early Childhood Education and Care in 2019 and 9 per cent of enrolments in the Diploma.

Educators usually spend 1-2 years working in a centre and gaining on-the-job experience before progressing to a role as a room leader. After demonstrating skills in supervising and mentoring staff as a room leader, the most promising employees may also move into the role of educational leader and ultimately, after 10 or more years in the sector, an educator may become a centre director and manage a service. It is common for educational leaders and centre directors to train as early childhood teachers as they progress their career in the sector, however, it is equally common for an early childhood teacher to enter a long day care or kindergarten service directly after completing their tertiary teaching qualification.

The pathway into OSHC is somewhat different. Most educators tend to work in the sector in a casual role while completing their university studies, often in teaching. These educators are unlikely to remain employees of the sector after the completion of their studies and coordinators may be recruited from other parts of the sector. Educators may enter family day care after having worked in a centre-based service setting.

Training is strictly prescribed by regulation

In long day care, kindergarten, occasional care and OSHC, at least 50 per cent of educators must hold or be actively working towards a relevant Diploma level qualification. The remainder of staff must hold or be working towards a Certificate III level qualification. All long day care and occasional care services must also have access to at least one tertiary qualified early childhood teacher, and larger services need more than one teacher. For kindergarten, whether standalone or part of a long day care service, each room must be led by a tertiary qualified teacher. Family day care educators must hold a Certificate III.

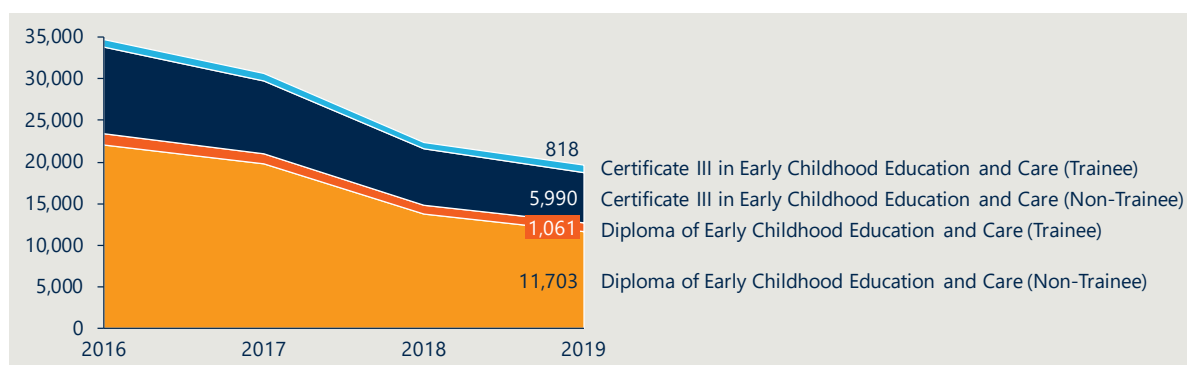
Given the expected growth in this sector and the strict requirements for training, government funding has been allocated to promote training and ensure future workforce supply. The Certificate III and Diploma in Early Childhood Education and Care are both priority courses under the government's Free TAFE policy and a relatively small number of students undertake training on a fee-for-service basis (22 per cent of Certificate III enrolments and 7 per cent of Diploma enrolments in 2019).¹² To support the increased need for early childhood teachers as a result of the introduction of 3-year-old kindergarten, the Victorian government has also announced a \$7.24 million fund which includes scholarships to attract new early childhood teachers. It also includes incentives for educators to upskill, including through an accelerated Bachelor degree.

In recent years, enrolments in both the Certificate III and the Diploma in Early Childhood Education and Care have decreased, but employers do not expect this to affect worker availability (see Figure 6) and note that supply of educators remains adequate. Enrolments in the Diploma of Early Childhood Education and Care have far exceeded enrolments in the Certificate III. Employers report that many students aim to

¹² Department of Education and Training

complete a Diploma prior to having worked in the sector, but it is challenging for them to contextualise their learning without on-the-job experience. Employers expressed a preference for employees to complete a Certificate III in the first instance and then commence a Diploma once they are seeking to progress their career as a room leader. A current national review of Training for Early Childhood Education and Care is considering whether completion of the Certificate III in Early Childhood Education and Care should be a pre-requisite for commencing the Diploma. The review findings are expected to be considered by the Australian Industry Skills Committee in early 2021.

Figure 6 | Enrolments in core Early Childhood Education and Care Qualifications¹³



There are opportunities to improve accredited training

If implemented, the proposed requirement that educators must complete a Certificate III in Early Childhood Education and Care before being eligible to commence a Diploma has potential to improve the quality of education and care through more appropriately sequenced learning. However, there are other potential steps to improve accredited training. Employers reported that the quality of delivery of the Certificate III and Diploma in Early Childhood Education and Care is variable. Some students arrive on work placement without an understanding of play-based learning and positive communication and require substantial on-the-job training from their team. Many employers invest time in building relationships with their training providers with the aim of improving the quality of delivery, however, some training providers are more receptive than others to engaging with employers. To address these concerns, providers must work closely with employers to ensure that classroom-based delivery of the Certificate III and the Diploma are appropriately contextualised to employers' needs.

Some employers also expressed concern about the inconsistent standards of assessment for students completing early childhood courses. A pilot program for independent assessment is currently underway in the TAFE sector, with both a practical and theory test conducted in a specified venue such as a TAFE, and assessment undertaken by an independent party. This pilot has included the Certificate III in Early Childhood Education and Care but has only applied to traineeships at this stage, which means only a small proportion of students have been included. In the future, independent assessment of completions may be useful for all employees completing an early childhood qualification to ensure future employees have the necessary skills and competencies to work in the sector.

Employers also reported that training regulations have caused perverse incentives for the OSHC subsector. Qualifications in Early Childhood Education and Care are less relevant to this sub-sector which works with school-aged children. There are qualifications that are specifically focused on working with a school-aged cohort, including the Certificate IV in School Aged Education and Care and the Diploma in School Aged Education and Care. However, there is no Certificate III focused on working with school aged children. Since regulations have prescribed a Certificate III as the minimum qualification for 50 per cent of the

¹³ Department of Education and Training

workforce, many OSHC Educators instead undertake a Certificate III in Early Childhood Education and Care, despite this qualification being less appropriate. The creation of a new Certificate III in School Aged Education and Care is in development to address this gap.

Finally, the 3-year-old kindergarten policy is expected to encourage many educators to undertake tertiary education and become early childhood teachers. This policy will have a positive impact for many young children who have increased access to kindergarten but may have flow on effects for the supply of educators and workforce supply in the sector and should continue to be closely monitored over coming years. Monitoring of workforce supply in regional communities should be a particular area of focus given current shortages of early childhood teachers outside of metropolitan areas. Governments should also consider options to attract skilled early childhood teachers in regional Victoria.



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