



# Early Childhood Education and Care Capacity Study

## 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.