

# THE HIDDEN LEVER:

How Pay and Conditions Support  
Child Outcomes in Low SES Early  
Childhood Education and Care  
Services in Regional and Remote  
Australia



2025

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# BACKGROUND

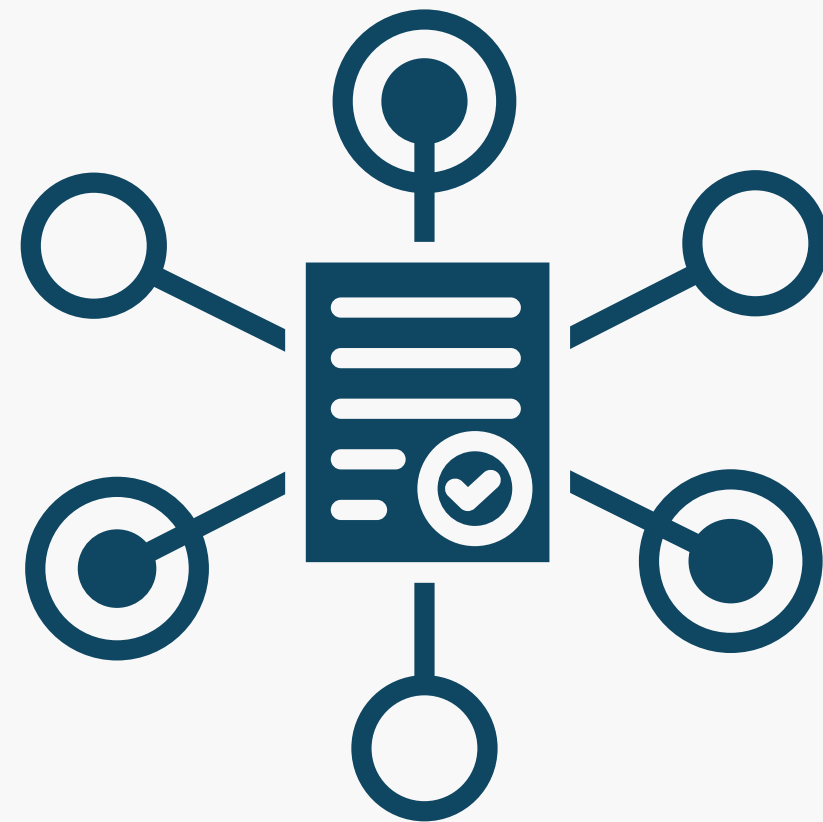
## REGIONAL, RURAL & REMOTE CHALLENGES

It is well documented that many regional and remote areas in Australia are 'childcare deserts', with more than three children per childcare space.

Early childhood education and care (ECEC) is a mixed market, with varying policies and government involvement across jurisdictions. These differences are further compounded between regional/remote and metropolitan areas.

Retention, recruitment, and upskilling early education professionals is a major challenge across the sector and amplified in the regional/remote areas.

# LINKING QUALITY TO CHILD OUTCOMES



Quality ECEC is found to improve outcomes for children, especially for those from disadvantaged and vulnerable communities.

ACECQA and the National Quality Framework (NQF) ensures ECEC is regulated and sets the standards for quality, assessment, ratings and improvement.

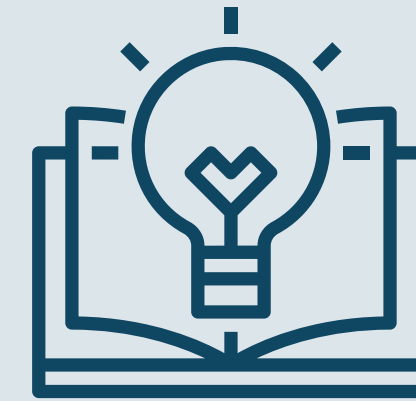
2024 research from AERO found that children attending Exceeding services under the NQF have better outcomes than those in Meeting services. Furthermore, children attending 'Meeting' services have better outcomes than those attending 'Working Towards'. This reveals a clear link between service quality and improved developmental outcomes for children.

# RESEARCH PURPOSE

Given how important teachers and educators are to achieving quality, we were curious to uncover insights and trends on what workforce conditions support quality. To do this we examined industrial instruments from Exceeding and Excellent rated services in low SES areas in Australia.

This paper focuses primarily on **non-metro areas** with a low socio-economic index (SEIFA 1\*). These areas have the intersectional challenges of regionality, and low relative socio-disadvantage.

We analyse industrial instrument coverage of Exceeding and Excellent services in regional SEIFA1 areas, linking high-quality service to workplace conditions.



## Remoteness Definition

ABS's Accessibility/Remoteness Index Australia Plus (ARIA+) defines levels of remoteness

ARIA+ includes 5 categories: Major Cities, Inner Regional, Outer Regional, Remote, and Very Remote.

This study focuses on inner regional, outer regional, remote and very remote. It excludes major cities.

# KEY FINDINGS

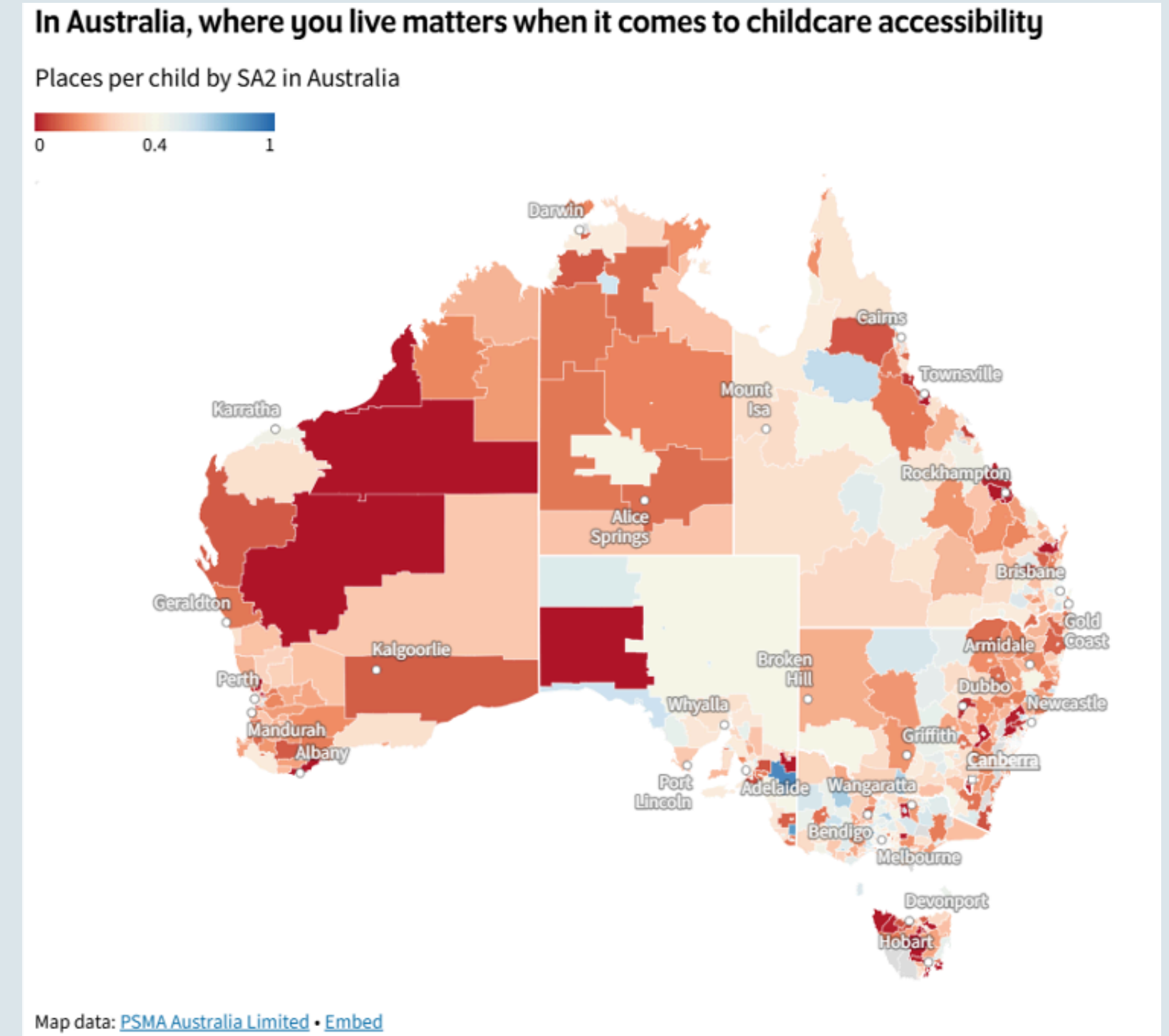
- In non-urban areas 79% of ECEC providers are small providers, with only one service.
- Not-for-profit providers make up the majority of the long day care (LDC) market in remote areas. This is the reverse trend to metro areas where for-profits make up the majority of services.
- In SEIFA 1 non-metro areas 11% of for-profit and 28% of not-for-profit services are 'Exceeding' or 'Excellent' services.
- 68% of SEIFA 1 Exceeding and Excellent services analysed in this sample are covered by an Enterprise Bargaining Agreement (EBA)\*. This is much higher than the overall sector with 62% of all employees on the award. This suggests an association between industrial conditions and service quality (ACECQA Q2 2024).
- Centres operating under EBAs consistently offer more generous staffing conditions such as leave provisions than Award-reliant services.

# ACCESSIBILITY OF LONG DAY CARE

The Mitchell Institute report into Childcare Deserts analyses the number of childcare places per child.

Though improving, there are still many areas in Australia where children cannot access childcare. Particularly regional and remote areas.

The Front Project 'Work and Play Report 2023' found that 39% of respondents living in regional/remote Australia who take time off work to care for their child cite access as a reason for this.



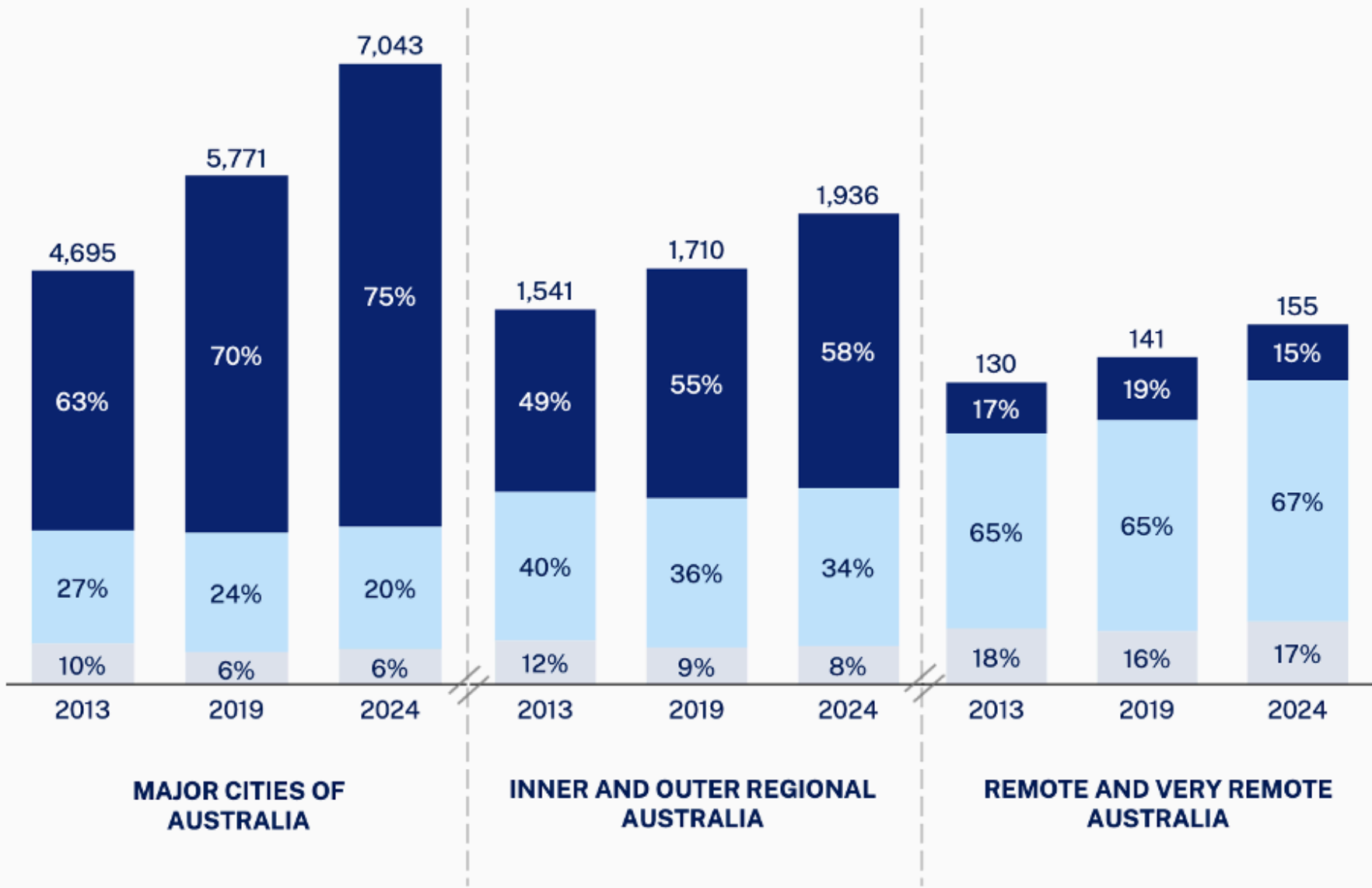


# REGIONAL & REMOTE MARKET COMPOSITION

LDC centres by provider type and remoteness

2013, 2019, 2024, Australia

For-profit Not-for-profit Other



In non-urban areas 79% of ECEC providers are small providers, with only one service.

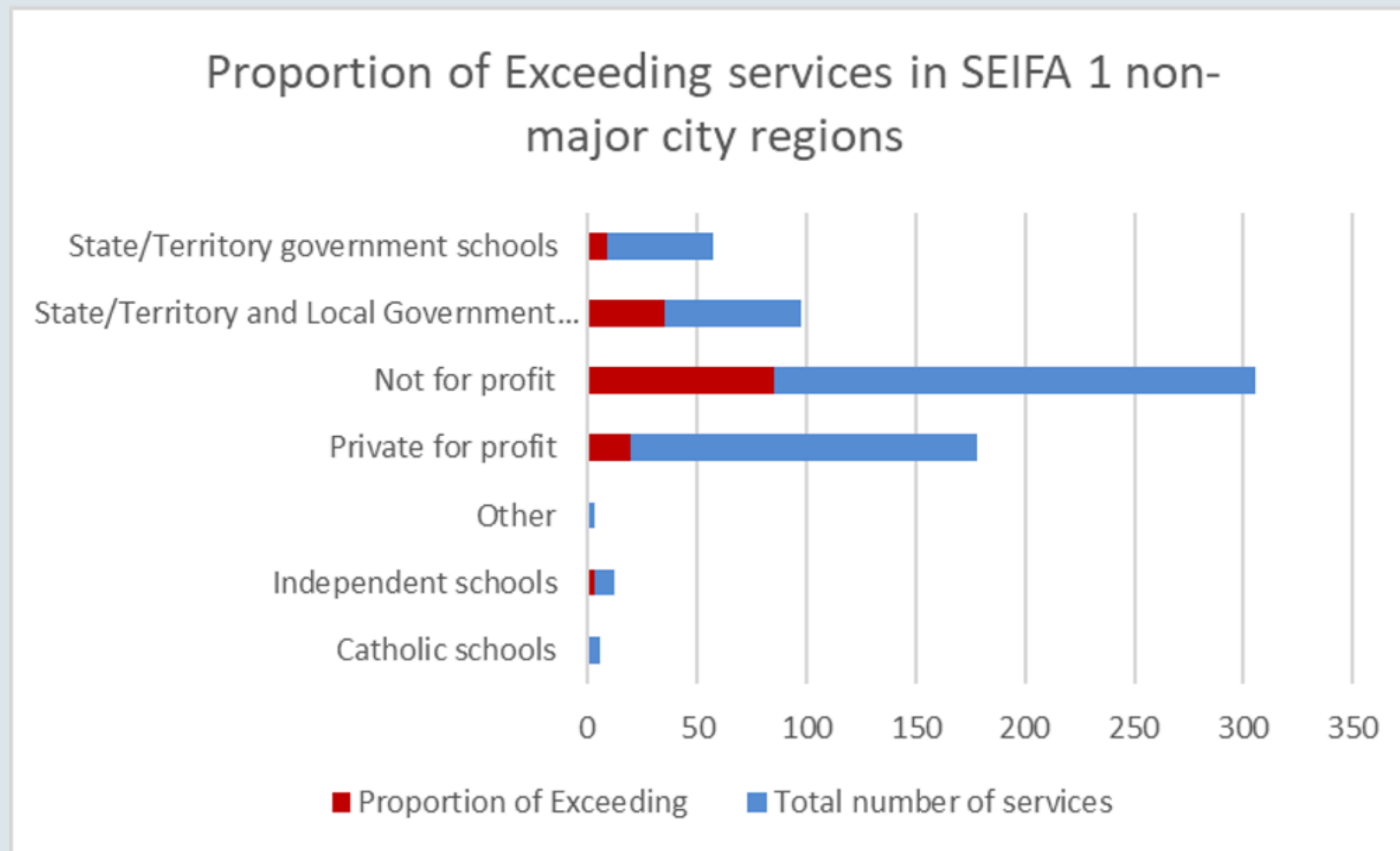
For-profit services make up the majority of services across Australia. Nationally, 75% of Long Day Care (LDC) centres are for-profit.

However, the for-profit domination of the market is not the case in remote areas, with not-for-profit providers making up the majority of services.

This is primarily due to the unprofitability for for-profit providers operating a service in regional areas.



# ECEC QUALITY IN REGIONAL, RURAL & REMOTE AREAS



\*This data reflects LDC and pre-school kindergarten centres

Preschool / Kindergarten and not-for-profit LDC services do the heavy lifting in providing quality services to regional and remote areas.

For-profit providers have a lower proportion of Excellent or Exceeding services than not-for-profit or government run (school, stand alone, or council owned) services.

**In SEIFA 1 non-metro areas:**

- 11% of for-profit
  - 28% of not-for-profit
  - 36% of local government
- are 'Exceeding' or 'Excellent' services**

# COVERAGE OF ENTERPRISE AGREEMENTS IN EXCEEDING SERVICES

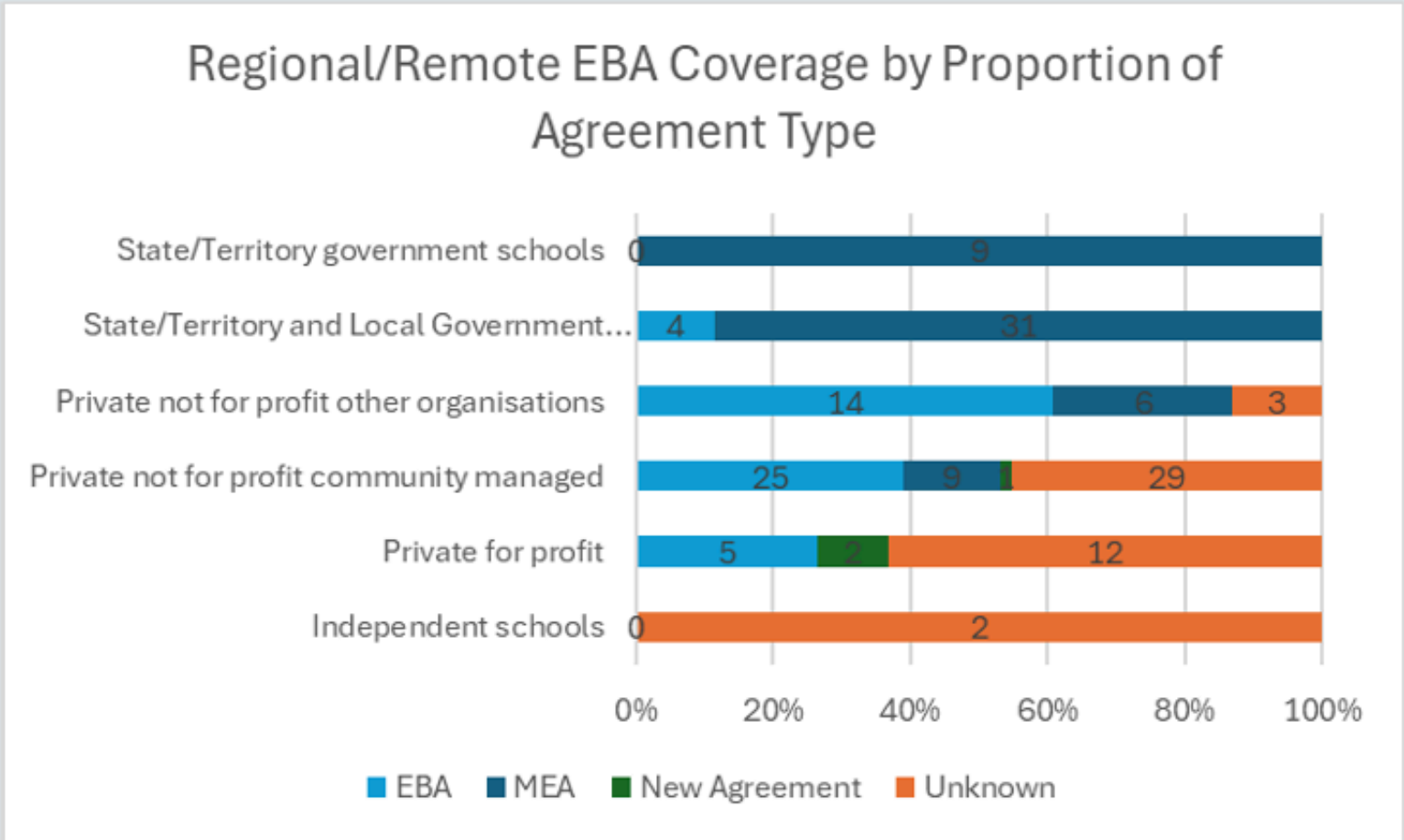
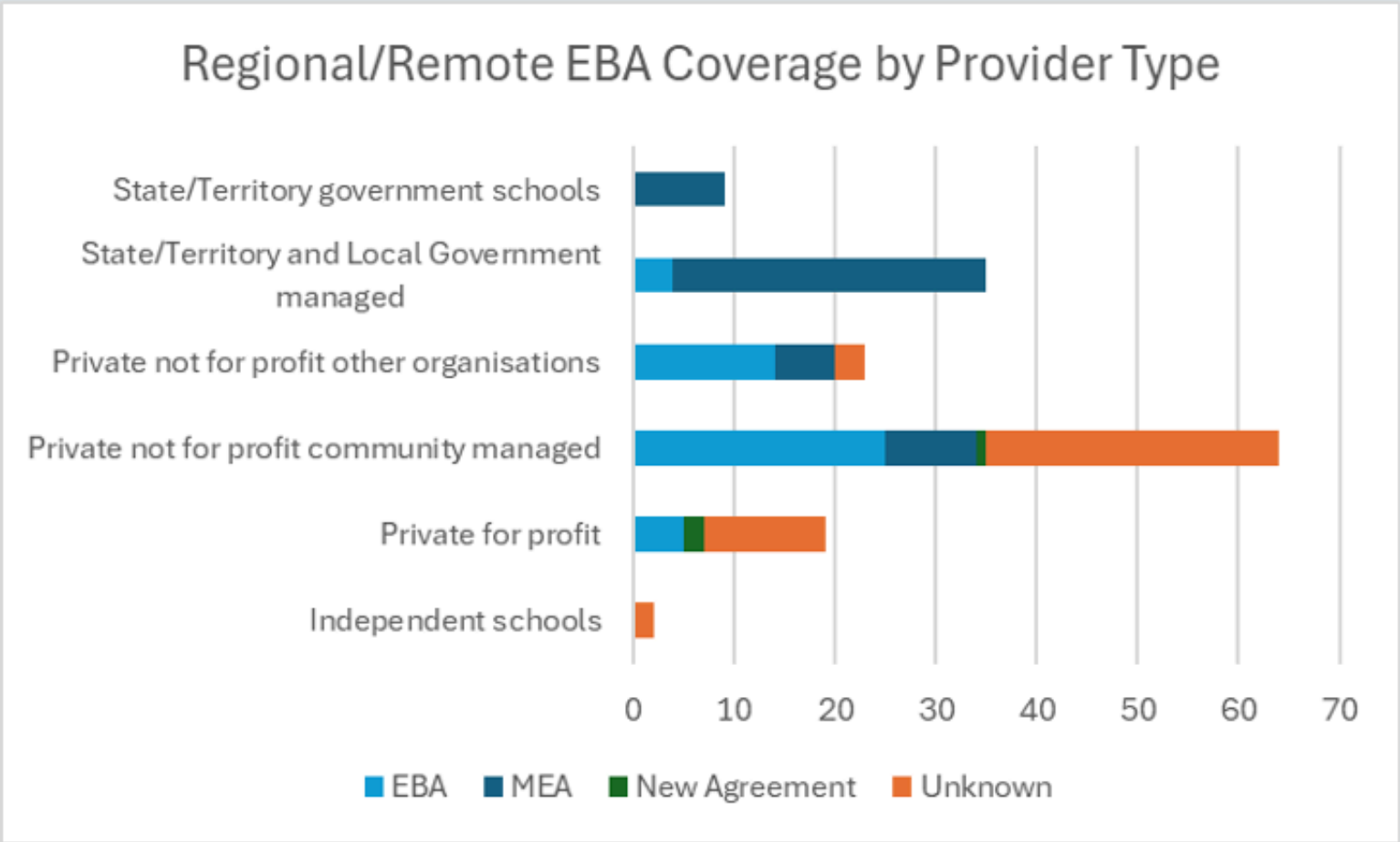
An estimated 62% of ECEC employees are on the award.

However, when looking at service level data, this statistic appears to reverse in ‘Exceeding’ regional and remote services, with 68% of these services covered by an Industrial Agreement. **This suggests an association between industrial conditions and service quality.**

Industrial agreements provide conditions above the award minimum-standard and incentivise the workforce.

All government services – State and Local – are covered by an industrial agreement, the majority covered by a Multi Employer Agreement (MEA).

The majority of not-for-profit providers are covered by a single-enterprise agreement rather than an MEA, and 37% of NFP are covered by private contracts and/or the award.



\*Fair Work Commission, Agreed Statement of Facts, Matter (B20231/538), Application by UWU, AEU, IEU

# COMPARING AWARD VS BEST PRACTICE LEAVE CONDITIONS

## Award: leave provisions

- 1. Parental Leave
- 2. Annual Leave
- 3. Personal Leave
- 4. Compassionate Leave
- 5. FDV Leave
- 6. Community Service Leave  
(Jury duty, emergency services)
- 7. Long Service Leave

# NT Public Sector Educators’ 2024 - 2027 Enterprise Agreement: leave provisions

Part 7	Leave Provisions .....
61.	Parental Leave.....
62.	Personal Leave .....
63.	Infectious Diseases Leave .....
64.	War Service Leave.....
65.	Recreation Leave.....
66.	Recreation Leave at Half Pay .....
67.	Special Leave With Pay .....
68.	Recreation Leave Loading .....
69.	Flexible Lifestyle (Purchased) Leave .....
70.	Leave Airfares and Cashing up of Leave Airfares .....
71.	Long Service Leave .....
72.	Defence Service Leave .....
73.	Leave to Attend Arbitration Business .....
74.	Emergency Leave .....
75.	Compassionate Leave .....
76.	Use of Emergency Leave in Conjunction with Compassionate Leave .....
77.	Domestic, Family and Sexual Violence Leave .....
78.	Foster and Kinship Carers Leave .....
79.	Kinship Obligation Leave.....
80.	Cultural and Ceremonial Leave .....
81.	NAIDOC Week Leave.....
82.	Leave to Attend Industrial Relations Business.....
83.	Release for Jury Duty .....
84.	Release to Attend as a Witness.....
85.	Leave to Engage in Voluntary Emergency Management Activities .....
86.	Blood Donor Leave.....
87.	Health Screening Leave.....
88.	Gender Transition Leave .....

 = leave particular for regional remote, Aboriginal & Torres Strait professionals

# SUPPORTING THE REGIONAL AND REMOTE WORKFORCE THROUGH UNIQUE EBA CLAUSES

Specific clauses that support the workforce can help to attract and retain staff in regional and remote areas. Examples include:

- Emergency and Natural Disaster leave (up to 5 days off p/a for those who can't work due to natural disaster) (IEU QLD)
- Ceremonial Leave for Aboriginal and Torres Strait Islander employees (up to 5 days p/a for ceremonial purposes) (IEU QLD)
- Excess Fares & Travel Allowances (allowance to compensate for excessive travel, if an employee is asked to work at a different centre over 50km away) (Goodstart)
- Regional Allowances – a recruitment and retention monetary incentive for workers in these areas (Goodstart)





# COMMONWEALTH SUPPORT FOR REGIONAL WORKFORCE

As of March 2024, there are a number of Commonwealth funded initiatives support regional and remote ECEC workforce, including:



- **Tertiary Access Payment** – one-off relocation payment for regional students
- **Local Jobs Program** - upskilling, reskilling and establishing employment pathways for job seekers in 51 regions
- **Financial assistance for very remote teachers** – waives and reduces HELP debt
- **Limited Supply Grant** - fund for new providers to open in areas with limited access
- **ECEC 15% Worker Retention Payment** - a backdated grant for providers to support a 15% pay increase over two years.
- **Launch into Work Program** - for businesses who have entry level job opportunities and are willing to trial a new way of recruiting
- **Practicum Payment for Professional Development Support** - a subsidy to cover one day training backfill
- **Free TAFE** - no cost for Certificate III in Early Childhood Education and Care qualification

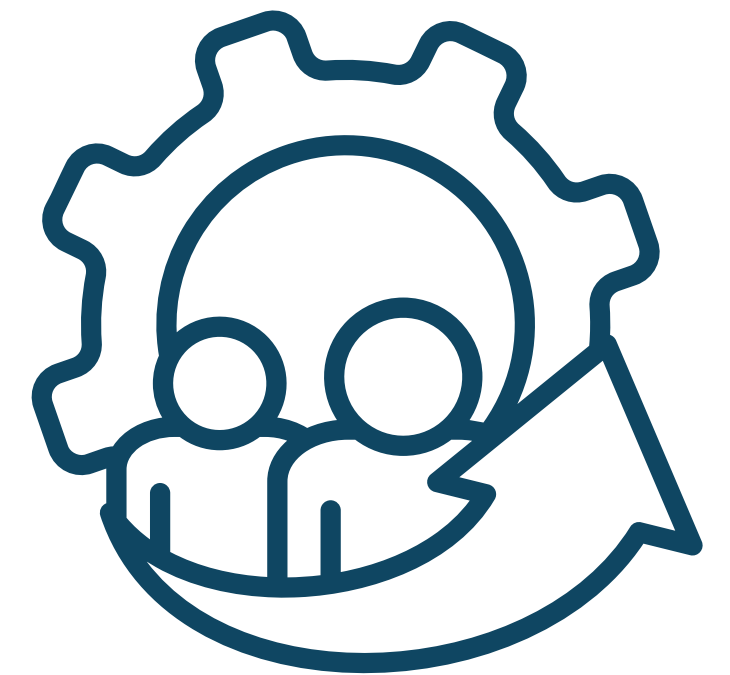
# WHAT CAN GOVERNMENT DO?

**Governments are reliable funders of ECEC services and employers of staff.**

At a **State and Territory** level governments can have a direct role in supporting workforce conditions for quality through its funding and contracting arrangements. This opportunity is magnified in non-metro areas where they are more likely to be employers.

At a **Commonwealth** level, the government can leverage \$14b in Child Care Subsidy and \$1 billion Better Early Education Fund funding to drive conditions for quality in regional and remote Australia by putting providers on the hook for delivering this.

This research has been undertaken through manual methodologies using publicly available data. Governments at all levels have access to critical data sets - including in regional and remote areas - which can illuminate what conditions that best support quality and outcomes for children.



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