



**CHILDCARE IN THE**  
Wimmera  
Southern  
Mallee

Understanding the story





# ABOUT

# By Five WSM Childcare Report

By Five Wimmera Southern Mallee (WSM) Early Years is an initiative of the WSM Regional Partnership that aims to improve the Australian Early Development Census (AEDC) outcomes of children in the WSM.

By Five has collected data about centre based long day care demand and availability across the five Local Government Areas (LGAs) of Hindmarsh, Horsham, Northern Grampians, West Wimmera and Yarriambiack in the WSM. Early childhood education and care (ECEC) delivered through centre based long day care is provided in the WSM region through a range of models, including private, not for profit and Local Government. The term ECEC is the universal term for education and care of children five and under in Australia. For ease of use, the term 'childcare' shall be used in this report.

The focus of this work has been to understand childcare across the region, and what actions are required to ensure children and families can access childcare.

An accessible, quality ECEC system is a critical element in supporting children to thrive. The synergies between childcare, kindergarten and the early years of school across our region from the perspective of a child is evident. Improving our understanding of funding and the operating environment enables us to identify opportunities to ensure our children can get what they need, when and where they need it. The childcare story is a critical piece in improving not only outcomes for children experiencing adversity and gender equality but our region's economic prosperity and liveability.

Childcare infrastructure and access forms part of a suite of efforts necessary to support the delivery of improved health and development outcomes for children between the ages of 0-5 across the region.

Importantly in the WSM, "childcare is being defined as an individual issue for individual parents, when it is in fact a structural problem managed by a regulatory environments and subsidy scheme that disadvantages people in areas where approved care is unavailable" (Tichler, McDonald, Reeves, 2020).

Currently there is no government agency with oversight of or responsibility for addressing childcare delivery gaps in the absence of a workable market. As a result, rural efforts to address market failure are usually unfunded and ad-hoc.

More broadly, a lack of childcare availability impacts the livability and economic development of our region. In the WSM, childcare is recognised as a key issue that would improve the availability of our skilled and unskilled workforces already living in the region. Limited childcare availability also has implications for achieving gender equity in our regional workforces as well as impacting on the attraction of this region compared to other regional areas.

This report has been compiled from desktop reviews, interviews, and engagement with ECEC service providers, and WSM families.



Map of  
WSM region.

# THE Rural Childcare Challenge

- Childcare operates and is funded in a market-based system, which assumes private providers will meet demand for childcare. This does not work in rural and remote areas.
- Rural areas cannot match economies of scale for commercial childcare markets, and as a result, rural areas are unattractive as a business proposition for private childcare providers.
- Rural and remote childcare is delivered by not-for-profit providers, driven initially by the community or the commitment of a local government.
- If approved childcare is not present in a rural community, Federal Government subsidies do not flow to rural parents and carers with children to support work, study or engagement in volunteering. This is an equity issue for rural people and a policy failing of the current childcare subsidy system.
- A lack of subsidy and support for rural areas prevents the development of a rural childcare market and limits workforce development and local training opportunities for rural staff, further compounding the problem.
- There are no organisations responsible for addressing childcare market failure in rural areas, so efforts to drive change are unfunded and therefore costly for rural communities.
- While the same issues occur in most rural communities, efforts to change are by necessity individualised, localised and limited in scale.

**Current childcare policy settings result in thin markets and an absence of provision in regional areas.**

*- Deserts and Oases: How accessible is childcare in Australia*



# THE CURRENT Wimmera Southern Mallee Childcare Situation

*"People are scared to have another child, because they can't get childcare"*  
Survey respondent.

## WIMMERA SOUTHERN MALLEE

The WSM covers 34,000km<sup>2</sup>, about 13% of the State. We have a population of about 48,500, which is just under 1% of the Victorian total. This sparsely populated region is home to many small, vibrant communities and two regional centres, Horsham and Stawell.

Whilst we are an older population, with the average age being 49 years, 10 years up on the State average, we have 2,555 children aged 0-4 (ABS, 2021) years who all deserve the best services and community supports to thrive.

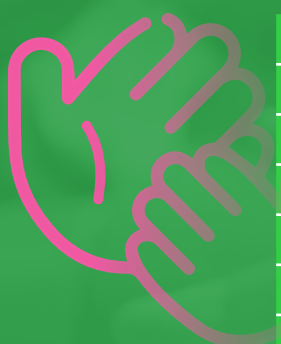


Regional population:	<b>48,500</b>
Population 0-4 years:	<b>2,555 (5.0%)</b>
Wimmera Southern Mallee area:	<b>34,000 km<sup>2</sup></b>

## THE CURRENT CHILDCARE SITUATION

The WSM region has 869 Australian Children's Education and Care Quality Authority (ACECQA) approved ECEC places available through 13 long-day care centres across nine towns. There are eight providers currently operating childcare in the WSM and seven providers of Family Day Care. We have at least 300 children are on waitlists for childcare positions in the WSM.

There are 21 towns in the WSM on waitlists for childcare positions in the WSM. There are 21 towns in the WSM with populations over 180. Five towns with populations over 500 do not have childcare available.



ACECQA Approved childcare positions	<b>869</b>
Children on childcare waitlists:	<b>300</b>
Approved long day care centres:	<b>13</b>
Not for Profit:	<b>8</b>
Local Government:	<b>2</b>
For Profit:	<b>3</b>
Number of providers:	<b>8</b>



## WORKFORCE

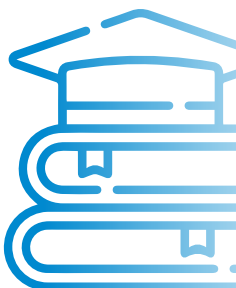
The WSM region has critically low unemployment (2.7%, REDS Aug 2022) which is well below other Victorian regions. Issues with attracting and retaining skilled workers in the region are exacerbated by limited childcare options for families with younger children. Attracting and retaining a workforce is an Australian wide concern for the people requiring the service and the workforce within the sector. Current estimates by the Federal Treasury and reported in The Sector, indicate that the ECEC sector will require around 37,000 additional educators by 2024 (The Sector, 2021). To enable the WSM childcare centres to be at full capacity, 34 positions need to be filled with qualified staff. To enable the 300 children on waitlists to attend childcare, the WSM require an additional 50 staff, thus 84 in total. Childcare centres report the barriers to a full workforce include high turnover driven by lack of pay parity and workplace conditions. Childcare centre are reporting losing some staff due to high levels of paperwork, burn out and the higher pay of other sectors. To enable the children of the WSM to receive education and care we need to recruit staff with the following qualifications.



<b>Current Vacancies across WSM childcare centres</b>	
Certificate III Early Childhood Education and Care:	<b>18</b>
Diploma Early Childhood Education and Care:	<b>6</b>
Bachelor Early Childhood Education and Care:	<b>10</b>
<b>Future vacancies</b>	
To meet childcare waitlists:	<b>50</b>

## TRAINING

A highly skilled and valued workforce underpins high quality service provision (Starting now, 2022). In 2022 more than 37 people, including 17 VET delivered in school (VETDSS) students are studying face to face training to achieve their Certificate III in ECEC in the region. This is a significant additional workforce development but will not be enough to address current and projected workforce demand. All childcare centres in the WSM have staff in training with centres reliant on staff working towards their qualifications. WSM centres report there are 34 staff currently in training.



<b>100% of childcare centres with staff in training</b>	
Studying Certificate III Early Childhood Education and Care:	<b>18</b>
Studying Diploma Early Childhood Education and Care:	<b>10</b>
Studying Bachelor Early Childhood Education and Care:	<b>6</b>
<b>Studying class based</b>	
Studying Certificate III ECEC via VETDSS:	<b>17</b>
Studying Cert III ECEC:	<b>20</b>

## OUR FAMILIES

Ninety-seven families across the WSM provided input to this report through the completion of surveys and interviews. Approximately 65% surveyed stated that they required between 10-30 hours of childcare to return to work, increase their hours of work or work in a higher skilled position. We know that there is also a demand in areas where childcare doesn't exist and there is no waitlist to join.



<b>Families surveyed reported the following:</b>	
Requiring more childcare to return to work:	<b>65 %</b>
Requiring more childcare hours:	<b>59 %</b>
Report cost of childcare is an issue:	<b>58 %</b>

*This month I received 3 resignations from great staff members. They have lost their passion for the industry because of burn out and paperwork.*

*WSM Centre Director*

# CHILDCARE

# Understanding the Wimmera Southern Mallee Story

## ACCESS



85%

### Waitlists in 11 of 13 WSM centres

Demand exceeds supply in 85% of the WSM childcare centres.



300

### 300 children waiting

Approximately 300 children across the WSM are waiting for childcare positions.



5

### 5 towns with no childcare

5 out of the 14 WSM towns with populations over 500 people do not have childcare.

## CHALLENGES



### Supply is impacted by

Workforce  
Infrastructure



84

### ECEC staff are needed

84 staff are required to meet the known ECEC demand across the WSM. Centres have 34 current job vacancies.



0

### No agency has responsibility

No government or bureaucratic authority is responsible for building, developing and providing childcare services.

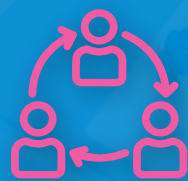
## PRESSURES



100%

### All centres have staff in training

All WSM centres have staff currently in training.



### High staff turnover

WSM Centres report high staff turnover is due to low pay, lack of pay parity, conditions and paperwork.



65%

### Families are unable to work

65% of families reported experiencing employment restriction due to lack of access to childcare.

# A VISION

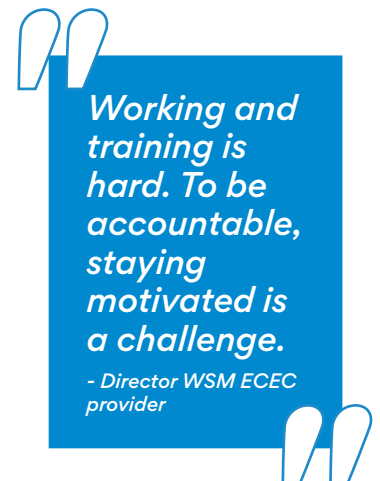
# For the future

## HOW WSM CHILDCARE SHOULD LOOK AND FEEL

A strong and stable ECEC workforce in the region enables parents and carers to work and train while ensuring children have access to the lifelong benefits of high-quality early education.

To enable rural and remote children and families consistent access to quality childcare, critical shifts in structural drivers controlled by government is required.

- Towns with populations of over 500 people (there are 14 in the WSM) will have funded, stable and regular childcare services available.
- Services in these towns are consistently delivered through the establishment of an operational block funding model. This model recognizes fluctuations in demand for rural childcare services but supports communities to ensure consistency of staffing and supply.
- The WSM region has a well-trained and stable, local early years workforce who are qualified to deliver a high level of service to children in the region.
- Childcare services will be recognised as part of the suite of ECEC services and co-located with kindergartens and primary schools in WSM townships with populations over 500 people.
- Rural ECEC staff will all have pay parity and conditions thanks to a Common Award for rural and remote ECEC service delivery, which recognises that wage rates should be consistent for equivalent qualifications regardless of the sector (childcare, kindergarten, primary education).



# THE Next Steps

To achieve consistent access to quality childcare in our region the following action foundations are required

## Childcare Access

- Business cases and sustainability modelling to be completed to support families in all towns with populations of more than 500 people in the WSM to access childcare services, factoring in the changes to the kindergarten program.
- In thin markets, and areas of market failure investigate alternate models of ECEC service delivery.

## Infrastructure

- Investigate sustainable funding model for childcare infrastructure funding in rural communities which covers full cost of developments.

## Quality Workforce

- Undertake research into local workforce retention challenges and identify approaches for supporting workforce retention, including block-funding in rural and remote areas, with a Common Award in place for all forms of rural ECEC delivery.
- Explore training and development pathways for staff including those who have left the industry to return that recognises prior learning.
- Collaborative approach established for ECEC development within scope of the Victorian Government kindergarten program. This will include an action strategy for rural childcare.
- Improve consistency and quality of ECEC services as staff feel more secure and services are reliably established in smaller townships (> 500 people).
- Trial mentoring programs with clear strategies for supporting staff to deliver the highest quality services regardless of where they are located.
- Advocate for pay parity and conditions across the ECEC sector to ensure that all WSM children and families have consistent access to quality childcare.





# FOUNDATION 1

# Childcare Access

## About

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The accessibility of childcare intersects with a multitude of issues for the WSM. It impacts the welfare of children and families, is a significant limiter in regional economic development, effects regional livability, and limits gender equity in regional communities.

Childcare accessibility in the WSM is an important contributing factor in reducing a range of statistical indicators around developmental vulnerabilities in children, reduced workforce participation for women and incidences of family violence.

The WSM region has significantly higher rates of children presenting at school with developmental vulnerabilities in two or more domains than the Victorian average at 11.49% compared to 8.26% (AEDC, 2021).

Childcare can play an important role for families in reducing inequities in child health and developmental outcomes, especially where disadvantage exists (Kalb, 2017).

The region also has the lowest workforce participation rate for women in the 24 – 44 year age group of any region in Victoria (WSM Skills Audit, 2022), identifying a likely correlation between low childcare availability and women's workforce participation.

Family violence rates in the WSM are approximately double that of the Victorian average (Women's Health Grampians 2022), and research suggests that childcare availability can be a significant factor in improving women's wellbeing and independence (Schmitz, 2019).

## Tactics

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- Acknowledge the intersection of childcare support with issues of family wellbeing, female independence and childhood development.
- Understand childcare as an important support factor in achieving economic growth and livability of regional communities.
- Complete business case development activities (sustainability modelling) to establish workable model/s for childcare delivery in townships with populations greater than 500 that complements kindergarten and school services, especially in rural and remote communities.

## The Opportunity

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The WSM has 5 towns with populations over 500 people that currently do not have childcare. Small towns with a population less than 500 require a targeted approach to childcare access.

The State government has a strong position on increasing ECEC opportunities for children, through recent changes announced to the kindergarten program. Hybrid models could be supported to bring childcare into line with kindergarten delivery, producing a more seamless service in WSM.

Addressing childcare access in the WSM has implications for other policy and investment areas. In particular, it is likely to have significant benefits in addressing a range of issues impacting on both wellbeing and regional development, including:

- Reducing the extent of developmental vulnerabilities in children commencing school.
- Reducing family violence incidences and providing a protection factor for children in 'at-risk' situations (Sandner & Thompsen, 2020).
- Addressing key workforce shortages (skilled and unskilled labour).
- Improving livability and the attractiveness of the region for families to relocate to, supporting regional population growth targets.
- Providing a market for training and development in ECEC as opportunities for a career workforce as this area expands.

## Deliverables

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- Business cases and sustainability modelling to be completed to support families in the WSM to access childcare services, factoring in the changes to the kindergarten program.
- In thin markets, and areas of market failure investigate alternate models of ECEC service delivery.

# FOUNDATION 2

## Infrastructure

### About

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Infrastructure needs for childcare delivery vary in each community and is a significant contributor in restricting the development of facilities. In areas experiencing market failure, the cost of constructing and delivering a childcare building that meets quality standards is generally higher than funding allows, and requires matching funding from organisations like Local Government that have no legislated responsibility for providing childcare (Yarriambiack Shire, 2021).

In the WSM, rural and remote Local Governments are left to subsidise childcare infrastructure – relying on a small ratepayer base to foot the cost of infrastructure for childcare facilities.

The developmental focus of kindergarten within the remit of the Department of Education (DET) has created a stronger focus on kindergarten infrastructure to be funded by the State Government (Victorian Government, 2022).

Victorian government policy to co-locate kindergartens near schools or within school footprints is an important step, but the risk is that childcare in rural and remote areas will be ‘left behind’, as services are most viable when they are complementary with kindergarten.

The implications of this policy change for rural communities and childcare is a significant unknown in relation to planning for current and future childcare needs.

### The Opportunity

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There are a known number of additional childcare facilities needed in the WSM for smaller communities with populations over 500. Effort can be focused on advocating for childcare facilities in these specific communities where no childcare is currently available:

- Rainbow
- Minyip
- Natimuk
- Murtoa
- Rupanyup

In addition, with an excess of 250 children on waitlists within the Horsham municipality, the need to expand the number of childcare places is urgent.

Establishing an operational block funding model for rural childcare services will also support reliability of services and infrastructure in smaller communities, thereby supporting families and rural employers to manage workforce needs.

### Tactics

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- Advocate for childcare to be considered within the Victorian Government’s rural ECEC remit, with provision made for co-located delivery of childcare services in rural and remote towns.
- Ensure the Victorian Government is aware of the necessity of co-location of childcare services with kindergartens in rural areas to support viability, thereby preventing adverse policy outcomes.
- Complete business case development activities (sustainability modelling) to establish workable model/s for childcare delivery in townships with populations greater than 500.
- Advocate for block funding for rural ECEC which would ensure reliable service delivery during periods of fluctuating enrolments in rural and remote communities.

### Deliverables

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- Investigate sustainable funding models for childcare infrastructure funding in rural communities.

## FOUNDATION 3

# Quality Workforce

### About

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The WSM has a shortage of ECEC workforce, with current estimates suggesting an additional 34 staff are required to fill existing vacancies at childcare facilities in the region (August 2022). To address childcare workforce issues in meeting demand in the region, this is expected to require at least an additional 84 staff.

Workforce challenges in the industry are limiting existing services from operating at capacity and deter operators even in commercially viable locations.

Noting the flow of staff between the childcare sector, kindergarten and primary school, the ECEC workforce gap is larger than the current childcare workforce alone. Over 40 percent of teacher vacancies advertised in parts of the region go unfilled (REDS 2022), indicating broader issues with educational workforce needs. This highlights the need for not only pay parity, but an exploration of a Common Award for rural ECEC staff, to enable the flexible use of staff across the sector.

In 2022, there were 37 students undertaking a Certificate III ECEC, including 17 VET in schools students and 34 staff in training at childcare centres across the region. This is a significant number of students being trained in the region, but this will not meet current demand.

All childcare centres in the region have staff in training, which indicates a strong focus on workforce development. But this also places additional pressure on the existing workforce to not only meet the significant demands of their role, but also to provide additional mentoring and support for newly trained staff. This should be acknowledged as a significant additional stressor for a stretched workforce.

The WSM workforce is also challenged by staff leaving the sector. There is scope for additional work to be done to understand these challenges, but discussions with local employers indicates colleagues are leaving the sector due to issues such as lack of pay parity with similar industries, paperwork, and feeling undervalued.

### Tactics

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- Build a stronger understanding of the workforce challenges for this sector in a rural setting, including knowledge about why staff leave the sector or don't take up roles once trained, and what incentives are available to support training and staffing.
- Establish locally supported accreditation pathways for people who have left the industry to upskill and return to the sector with appropriate recognition of prior learning (RPL).
- Build knowledge about the likely impacts of the expansion of fully funded kindergarten on the childcare workforce within the WSM, and the related projected impact of this on the ECEC workforce.
- Explore a single Common Award for all ECEC staff in rural areas to address pay parity and conditions and enable flexible staffing arrangements.
- Explore opportunities for attracting workforce to the region through structured migration strategies, noting that Australia will need an additional 37,000 ECEC educators by 2024 (Lucas, 2021).
- Advocate for operational block funding for childcare service delivery to reduce job insecurity for ECEC workforce and to maintain consistency of staffing and services in small rural and remote communities.
- Trial models that support staff mentoring in workplaces to improve quality standards across the sector and provide professional support for both staff in training and those providing mentoring support in ECEC workplaces.

### The Opportunity

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Given the scale and scope of the workforce challenge to be addressed, there is potential to approach this issue with bespoke solutions that also support regional development and growth needs.

There is also potential to build a stronger workforce with the childcare sector, acknowledging and engaging with the investment and attention being given by the State Government to kindergarten and ECEC.

The region engages in childcare delivery through a range of settings, including not-for-profit, Local Government and private childcare settings. Creating stronger pathways and linkages between the range of players in the ECEC space is likely to add value for workforce outcomes across the sector.

Providers in the childcare space already engage collaboratively in the effort to attract and develop an ECEC workforce in the region, through careers expos, a coordinated working group for ECEC workforces, and pre-accredited training models and study support courses (WDEA Works and Centre for Participation) for students studying towards a Certificate III.

Job security for rural ECEC workforces can also be improved through an operational block funding model for small rural and remote providers. This would support continuation of services during periods when child numbers fluctuate. It would support infrastructure builds, reduce job insecurity and prevent temporary staffing stand downs in areas that are difficult to recruit staff to. It would also assure rural communities of service consistency and quality (The Front Project, 2022).

### Deliverables

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- Undertake research into local workforce retention challenges and identify approaches for supporting workforce retention.
- Explore training and development pathways for staff including those who have left the industry.
- Collaborative approach established for ECEC development within scope of Victorian Government kindergarten program. This will include an action strategy for rural childcare.
- Improve consistency and quality of ECEC services to enable staff to feel more secure and services are reliably established in smaller townships (> 500 people).
- Trial mentoring programs with clear strategies for supporting staff to deliver the highest quality services regardless of where they are located.
- Advocate for pay parity and conditions across the ECEC sector to ensure that all WSM children and families have consistent access to quality childcare.



## ACKNOWLEDGEMENT:

By Five works on the traditional country of the Wotjobaluk, Wergaia, Jupagalk, Jaadwa, Jadawadjali and Dja Dja Wurrung people. In our work we pay our respects to Elders past, present and emerging and acknowledge their continuing custodianship of the land.

By Five acknowledges the participation of Early Childhood Education and Care Service Providers, Wimmera Southern Mallee Families, WSM Shire Councils, Training providers and Federation University in the preparation of this report.

## DISCLAIMER:

Data presented in this document has been derived from individual discussions and survey data from 97 Wimmera families. By Five, Wimmera Development Association, and its employees, consultants and contractors, accept no responsibility for the accuracy of information or estimates presented, or for decisions taken as a result of material in this document.

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**FOR MORE  
INFORMATION  
PLEASE CONTACT:**

***Jo Martin***

*By Five WSM Early Years Initiative  
Executive Officer*

[jo.martin@wda.org.au](mailto:jo.martin@wda.org.au)

***Sally Marcroft***

*ByFive Project Manager*  
[sally.marcroft@wda.org.au](mailto:sally.marcroft@wda.org.au)