

**Community Services and Health
Industry Skills Council**

**Submission to Education and Employment
References Committee**

**Inquiry into the immediate future of the childcare
sector in Australia**

March 2014



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The Community Services and Health Industry Skills Council Submission:

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The Community Services and Health Industry Skills Council (CS&HISC) is the peak agency responsible for delivering Vocational Education and Training (VET) qualifications and setting national standards for a broad range of job roles in the Community Services and Health industry. Over 80,000 publically funded students are awarded a Health or Community Services qualification each year. In addition to qualifications, CS&HISC provides advice, services and products to support the development of the overall community services and health workforce.

Through our work to deliver national child care qualifications CS&HISC has a developed strong relationship with service providers and Registered Training Organisations (RTOs) in childcare. In 2013, in collaboration with industry and the Australian Children's Education & Care Quality Authority (ACECQA) CS&HISC delivered new qualifications in child care.

Our submission addresses the following terms of reference:

The immediate future of the childcare sector in Australia, with particular reference to:

- a. cost and availability for parents over the short term, including the effectiveness of the current government rebates;
- b. administrative burden, including the impact of the introduction of the National Quality Framework;
- c. the current regulatory environment and the impact on children, educators and service operators;
- d. how the childcare sector can be strengthened in the short term to boost Australia's productivity and workplace participation for parents; and
- e. any related matters.

a. Cost and availability for parents over the short term, including the effectiveness of the current government rebates

The availability of childcare services is in part dependent on the availability of suitably qualified staff. An increasing number of children are accessing early childhood education and care services each year, raising the demand for early childhood workers. At the same time, child care reforms under the National Quality Framework (NQF) are already impacting the childcare and early childhood development workforce.ⁱ

A national shortage of child care workers, particularly those with a diploma level qualification, was reported in 2013ⁱⁱ. Despite an increase in training numbers, given the high replacement demand, it is anticipated that these shortages are likely to persist over the next few years. Furthermore, while there is no longer a significant national shortage of child care centre managers, employers also continue to report difficulties recruiting managers, particularly for out-of-school hours care.ⁱⁱⁱ

b. Administrative burden, including the impact of the introduction of the National Quality Framework

It is acknowledged that one of the aims of the National Quality Framework was to reduce the compliance burden on children's education and care services through a jointly-governed system of regulation, replacing overlapping regulatory activities by Australian, state and territory governments. CS&HISC welcomes ACECQA's ongoing work to analyse and reduce the administrative burden and costs associated with meeting the new national standards.^{iv} Future work to reduce administrative burden is likely to involve reducing the current duplication of reporting requirements across different agencies, which will require the agencies concerned to work collaboratively with ACECQA.

c. The current regulatory environment and the impact on children, educators and service operators

Impact of the National Quality Framework (NQF)

The introduction of the requirement to maintain a specific ratio of Certificate III, Diploma and Degree qualified staff, has meant that most service providers have had to recruit more, appropriately qualified workers and up-skill their existing workers. It has been projected that to meet the new requirements and increased demand for services the number of child carers employed in Australia will need to increase by 15,500 (13%) between 2012 and 2017.^v

This increase in training and recruitment has had both practical and resource implications, particularly for those service providers that are not enterprise RTOs and lack strong relationships with quality RTOs. In addition, service providers have also noted difficulties:

- Finding and recruiting degree qualified educators
- Meeting the required staffing ratios in rural and remote areas
- Paying the salaries for the required numbers of appropriately qualified staff.

Childcare providers are committed to improving the quality of childcare and most providers have responded positively to the NQF. It is felt that the NQF is evidence based and will have positive outcomes for children.

Regulation of Training Quality

Good regulation supports quality in a training as well as service context. As part of its strategic review of training for 2014, the Australian Skills Quality Authority (ASQA) will be auditing providers of training in early childhood. CS&HISC believes that it is important to identify poor quality courses (e.g. very short courses with no practical experience) as part of effective quality management processes. CS&HISC supports the planned audit of early childhood training and is represented on the ASQA steering committee for this review.

It should be noted however, that a large proportion of the issues identified in the 2013 audit of Aged Care training were quickly and easily resolved by training providers.^{vi} This may be an indication that some providers did not fully understand how certain standards should be applied so as to fully meet the requirements but when advised were able to easily make the amendments. . It is recommended that a risk management approach to the regulation of training

quality should also involve supportive measures that build awareness of the standards, and promote best practice in training delivery.

d. How the childcare sector can be strengthened in the short term to boost Australia's productivity and workplace participation for parents

Funding quality training

Funding for training should support training quality as well as quantity. Quality improvement in the childcare sector is a shared responsibility that requires collaboration between service providers, RTOs, regulators and governments. In the short term, better inter-agency collaboration should seek to support the development of ways to better measure, incentivise and fund quality training. Any changes in the approach to funding training should consider the affordability to and impact on small and medium as well as larger providers.

Improve education and training pathways into childcare careers

Currently high school students can complete qualifications in Children's Services and Children's Services (Outside Hours Care) through VET in Schools. This provides students aged 16 and over with the qualification they need for a career in childcare, however:

- There are concerns about the quality of some of the courses being delivered by schools
- Schools often lack the strong industry partnerships required to deliver work placements
- The sector is generally reluctant to employ 16 year olds.

There is a need to work with industry to address these issues and explore ways of improving the training pathways from school into careers in childcare and other sectors. At an industry level, CS&HISC is working with Australian Curriculum Assessment and Reporting Authority (ACARA) to develop community services and health National Trade Cadetships (NTC) curricula for Years 11 and 12. Through the NTC, CS&HISC aims to provide high school students with a clear understanding of the capability requirements and career opportunities within the Community Services and Health industry. CS&HISC believes that this approach will support the development of students with the aptitude and desire to work in childcare and in health and community services more broadly.

Invest in the development of childcare leaders and managers

Increased demand for childcare services and a new regulatory environment call for high levels of leadership and entrepreneurial skills to ensure sustainable businesses and high quality services. To develop leadership and management skills in the childcare sector requires ongoing investment in and support for higher level qualifications such as Diploma and Advanced Diploma in Children's Services.

e. Any related matters

Language, Literacy and Numeracy (LLN) is also a major issue for the childcare workforce and employers need appropriate assistance to support staff to develop these core skills. LLN can be a particular issue for workers for whom English is not their first language. Census data indicate that approximately 20% of Child Care Workers speak a language other than English at home.^{vii} Meeting the increased demand for workers may involve employing more workers from overseas, as well as a greater investment in the training and development of the domestic

workforce. Any increase in the numbers of workers whose first language is not English will require increased investment in LLN support.

Currently, support for LLN improvement is being provided through the Workplace Language and Literacy program:

<http://www.innovation.gov.au/Skills/LiteracyAndNumeracy/WorkplaceEnglishLanguageAndLiteracy/Pages/default.aspx>. CS&HISC strongly supports continued and increased investment in the area of LLN to support the development of the our workforce, including those in childcare.

References

i) Page 23, Australian Government Department of Education, Employment and Workplace Relations (2013). *Skill Shortages Australia 2012-13*, Canberra.

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iii) Department of Education, Employment and Workplace Relations (2013). *Employment Outlook for Health Care and Social Assistance*. DEEWR September 2013.

iv) Australian Children's Education & Care Quality Authority (2013). *Report on the National Quality Framework and Regulatory Burden 2013*. ACECQA:
<http://www.scseec.edu.au/site/DefaultSite/filesystem/documents/Reports%20and%20publications/Publications/ACECQA%20Research%20Report%20on%20the%20NQF%20and%20Regulatory%20Burden%20-%20Combined.pdf>

v) Australian Government Department of Employment (2013). *Industry and Occupational Projections to November 2017*, accessed December 2013
<<http://lmip.gov.au/default.aspx?LMIP/EmploymentProjections>>

vi) Australian Skills Quality Agency (ASQA) (2013). *Training for aged and community care in Australia: A national strategic review of registered training organisations offering aged and community care sector training*; Canberra, Australia.

vii) Australian Bureau of Statistics (ABS). *2006 and 2011 Census of Population and Housing data sets*, customized data request for CS&HISC.