



Submission to the Draft National Care and Support Economy Strategy 2023

Submitted by: The Y Australia

Acknowledgement

The Y acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their elders past and present and extend respect to all Aboriginal and Torres Strait Islander peoples today. The Y recognises Aboriginal and Torres Strait Islander peoples as the first peoples of this continent and the islands of the Torres Strait. In doing so, we acknowledge our shared history; recognise the right to self-determination and the importance of connection to country. We acknowledge and respect the distinct Aboriginal and Torres Strait Islander cultural differences, beliefs, values and languages.





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Executive Summary

The Y welcomes the work of the Taskforce in producing the Draft National Care and Support Economy Strategy (Draft Strategy). Elevating policy making to the broader care and support economy instead of taking a narrow sectoral view recognises the interconnectedness of sectors and enables all involved to jointly consider opportunities to address shared problems.

People are at the heart of the care and support economy. We support the strong focus the Draft Strategy has given to workers, clients and families in its objectives and goals. In particular, the Draft Strategy successfully highlights many of the key challenges around workforce.

The Y's primary role in the care and support economy is as a service provider in Early Childhood Education and Care (ECEC) where we support 36,000 families in around 400 services across Australia.

The ECEC workforce plays a crucial role in enhancing Australia's productivity, and it is vital to ensure a skilled workforce both now and in the future. However, the sector is facing a severe shortage of workers due to poor pay, unfavourable working conditions, and high demand, leading to burnout. National employment projections for 2020-2025 indicate an increase in demand for ECEC services of upwards of 10%, exacerbating the shortage.

Care work tends to be undervalued, reflecting the systemic undervaluation of work in industries dominated by women (a high proportion of the ECEC workforce are women), and perpetuating the gender pay gap. Additional public investment is required to address these issues given service providers are highly dependent on Government funding and highly constrained in pricing.

The Y strongly supports investment in the professional recognition and development of highly skilled ECEC workers. We believe ECEC workers should be valued for both their role in educating and caring for children, as well as the importance their work has for broader workforce participation and the economic benefits that flow from that.

The purpose of this submission is to:

- Highlight our seven priorities for ECEC sector reform and their relevance for the broader care and support economy;
- Reflect on the important role Government has in addressing the undervaluation of care and support work by providing funding for fairer wages;
- Highlight the importance that new initiatives like the Y's innovative new Y Careers Agency will have in attracting a new pipeline of young workers to careers in the care and support economy;
- Flag urgent actions needed to maintain skilled migration as a means to address critical staff shortages; and
- Nominate opportunities to reduce the burden of Commonwealth reporting systems on frontline staff.

We thank you for your consideration of these matters and look forward to the finalisation and implementation of the National Strategy.



About the Y

The Y (formerly the 'YMCA') in Australia is a social enterprise, operating in more than 680 communities, with 11,500 employees and over 16 million visits to our programs and facilities over the past year.

The Y's mission is to empower children, young people and communities Australia-wide to build a just, sustainable, equitable and inclusive world, where every person, regardless of background, can thrive in body, mind and spirit; and can reach their full potential, with dignity.

The work of the Y in Australia is driven by our bold vision – to create systemic change for a better world with and for young people – across four strategic pillars, Community wellbeing, Meaningful work, Sustainable Planet and a Just World. Globally, the YMCA is the largest youth movement in the world, reaching 65 million people in over 120 countries, on every continent.

Across Australia, the Y offers a wide range of programs and services to support children and young people across their lifespan, in every state and territory.

The Y has an extensive footprint in early learning, kindergarten and Out of School Hours Care (OSHC) across Australia, including:



Around 4,000 Y staff provide education and care to over 56,000 children. This means more than 36,000 families have the opportunity, because of the Ys education and care services, to increase their engagement in the workforce and community.

Around 7,300 of the children in our care are from culturally and linguistically diverse backgrounds, and some 2,200 children in our care identify as First Nations.

Our workforce is dominated by women (88%) and just under a third are under the age of 30 years.

The Y across Australia is committed to drawing from its significant knowledge and experience relating to early years, to improve the lives of children and families.

The Y supports the Universal Declaration of Human Rights (1948) (UDHR), which declares that those in childhood are entitled to special care and assistance. As a signatory to the United Nations Convention of the Rights of the Child (1989) (CROC), the Y believes that Australia must uphold the rights of the child at all levels of society, ensuring that every child is treated with respect and dignity and their voices are heard and valued.

Alongside the Alice Springs (Mparntwe) Education Declaration (2019), The Y recognises ECEC as the foundational level of Australia's education system, working in partnership with families to provide a solid basis for early development and learning. Australia must continue to strive to support and enable children at all levels of society and uphold their rights as proclaimed by the UDHR, CROC and the Alice Springs (Mparntwe) Education Declaration.

The Y also provides inclusion services. For example our services at Y Whittlesea in Victoria include:

- Home and community support services
- NDIS support coordination services
- Inclusion camps and holiday programs
- Group recreational programs including basketball, tennis, swimming and gymnastics as well as group leadership and advocacy programs.

These services are delivered in Whittlesea by around 150 staff and have been accessed by close to 700 families across Victoria. Over 420 clients have participated in 2022-3 - 84% of them are young people and around 25% are under five (supported through our Early Years Engagement Supports (EYES) program).

The Y also has inclusion programs and services in other states and territories.

Y Australia Priorities for Early Childhood Education and Care Reform

Building on our operational expertise, Y Australia has identified seven key reform priorities for the ECEC sector. Putting people first is the thread that binds these priorities, whether its child safety, access to services or supporting a quality care workforce.

1. Putting Child Safety First

There can be nothing more important in our ECEC settings than the safety of all children in our care. We need a sector that puts child safety first by:

- a) Ensuring all providers have workplace culture and practices in place that ensure children are safe and that our staff are appropriately trained.
- b) Developing a national child safety accredited training framework.
- c) Adopting national legislation to put in place the ten national child safe standards of the Royal Commission into Institutional Responses to Child Sexual Abuse.
- d) Establishing a national Working with Children Checks system.
- e) Harmonising and strengthening Australian mandated reporting processes and reportable conduct schemes.

2. Access and Inclusion is Critical

We support a universal ECEC sector that enables all children to flourish. If all Australian children and families are to be given the educational, social and economic opportunities of ECEC, regardless of location, culture, identity or language, then we need services that:

- a) Can be accessed seamlessly by families in a parent friendly environment that builds a strong sense of belonging and identity.
- b) Enable improved inclusion and diversity in ECEC settings.
- c) Are culturally sensitive and actively encourage First Nations identity, history, spirituality and kinship.
- d) Provide a resource rich environment that bring together all Government services required for each child to thrive.

3. Funding for Better Outcomes

ECEC needs improved funding. Critical improvements cannot be achieved without additional, and sustained funding. Our staff are central to service quality, access and inclusion, but workforce shortages are a major challenge. Funding to the sector must recognise:

- a) That increased wages are needed to attract and retain staff.
- b) The value of investing in workforce training and development.
- c) That passing on of increased costs to providers or to parents will be detrimental to access and inclusion to services.
- d) The need to consult closely with service providers regarding specific funding reform proposals.
- e) The value of longer-term funding cycles to retain quality talent, maintain or improve physical learning spaces and provide consistency of care.

4. Supporting children and families

We need an ECEC sector that supports children and families by enabling:

- a) Evidence based practices that provide high-quality ECEC ensuring our children have the fundamental skills and the emotional and social readiness required for a rapidly changing future.
- b) Safe and inclusive Early Learning Centres, kindergartens and OSHC spaces that support a child's learning journey.
- c) The opportunity for families to fully participate in their communities and the workforce.
- d) Active and meaningful engagement with children and their families during ECEC systems and policy design.

5. Supporting a quality care workforce

We need a professional workforce to provide the quality care children and families deserve by ensuring:

- a) We have highly trained and skilled staff supported by a funded workforce strategy and high-quality professional development.
- b) Workforce strategies address critical staff shortages, create secure jobs and provide a pipeline of future workers.
- c) Recognition of the importance of the ECEC workforce to Australia's productivity.
- d) Longer term funding cycles are encouraged to support secure employment in the sector.

6. The importance of providers

Like other not for profit providers, the Y's ECEC settings are in communities that we contribute to, and actively support. As a not for profit provider, it is in our DNA to invest back into the communities we serve. Government policy must:

- a) Recognise and protect the important role for not for profit providers in the sector and community.
- b) Ensure changes in policy, financial and regulatory settings for ECEC don't hinder, and in fact support, the capacity of not for profit providers to provide other critical services to communities, particularly those in need.

7. Regulating for better education and care

Education and Care Services National Regulations and National Quality Standards around the country provide critical legal safeguards for ECEC, however, they can be improved by:

- a) Supporting whole of Government approaches that ensure continuity and smooth transitions for children as they move between different ECEC settings.
- b) Providing different assessment tools and support for different risk profiles and service contexts such as OSHC and Early Learning Centres.
- c) Reviewing inconsistencies with how staff ratios and qualifications are being regulated between the States and Territories in Australia, especially where areas like ratios and educator qualifications are not consistent.
- d) Supporting greater consistency between regulators in the application of the National Quality Standards.

Commonwealth Funding to support Fairer Wages

The Draft Strategy appropriately recognises the undervaluation of care and support workers in the Australian community.

As both the primary funder of ECEC services, and the setter of national workplace relations laws, the Australian Government has enormous leverage to change this situation.

The Y welcomes reforms to our workplace relations laws to deliver secure, safe jobs with decent wages, conditions and opportunities for career development.

We also welcome the additional \$4.5 billion in funding for the Child Care Subsidy (CCS) delivered through the recent federal budget. However, substantial additional funding will be required to resolve the critical challenge of wages.

In a system that aims to provide an accessible and affordable service, providers are highly constrained in the current fee setting. Put simply, the wage increases workers require are not feasible without additional funding from Government.

The Government has supported a 15% increase in Aged Care sector wages with an \$11.3 billion funding increase. This support is critical to start addressing the undervaluation of work in the Aged Care sector – and should be regarded as a precedent for addressing wage disparities in other equally fundamental parts of the care and support economy.

Funding to support Aged Care wage increases flowed out to the whole industry at the same time, because they were applied through an award with industry wide coverage. Changes to the Australian bargaining system will likely mean wage increases in ECEC and other care and support sectors will be more staggered and flow incrementally as individual agreements for wage increases are struck between unions and individual providers or groups of providers.

In this context, it will be important for Government to send an early signal to providers on the scope for funding increases. In the ECEC sector it will be particularly important to signal that funding will be available across all CCS approved services, including OSHC which has not been the focus of early negotiations for Multi Employer Bargaining agreements.



Y Careers: Pathways to Care and Support Careers for Young People

The Y is partnering with the Australian Government to deliver **Y Careers**, a new, innovative traineeship program that supports young people into careers in the care and support sector.

As the Draft Strategy highlights, the care and support sector within Australia urgently requires a pipeline of labour, with workforces decimated during the pandemic period, and pressures on businesses continuing to increase. It is projected that 250,000 new workers are required in the care sector by 2025, with the demand particularly acute in regional areas.

At the same time, the national youth unemployment rate (8.2%) is more than double the national unemployment rate (3.7%) (Labour Force, Australia as at April 2023). Youth underemployment is even higher (15% for men and 20% for women: Reserve Bank of Australia, 2021), with young people too often falling through the gaps of the gig and casualised economy.

Y Careers has been designed to help address these challenges – to fill some of our nation's most critical workforce shortages, by sourcing, training, upskilling and supporting young people into meaningful care careers.

Supported by a \$15.2 million grant from the Australian Government, Y Careers seeks to provide an innovative, newly positioned and attractive offering for both young people and employers.

Y Careers will provide young people (aged 18-26) with a two-year traineeship participating in a minimum of two work and learning placements with vetted employment partners. The program aims to deliver at least 30,000 placements to 15,000 young people over a 5-year period. A two-year pilot will begin in 2024 with up to 350 young people.

Y Careers will focus specifically on roles within early childhood education, outside school hours care, disability care and Aged Care support where the need is for workforce supply is very high.

The Y Careers approach has been co-designed with young people, to include the following features for young people:

- Wrap around support, coaching and mentorship;
- Training including through completion of a Certificate III delivered by Swinburne University of Technology (SUT);
- Support to gain a career portfolio of stackable, translatable employability and care skills;
- Multiple work placements whilst having the stability of one employer;
- Support to understand employer and employee rights, obligations and entitlements including pay, conditions and superannuation;
- Additional support for trainees who are vulnerable; and

Support to access secure work or further pathways including entrepreneurship opportunities. Providers of Care and support will benefit by using Y Careers to:

- Attract, recruit and engage a pipeline of new talent for the care sector;
- Better understand and address barriers to secure employment for young people, including those faced by young people experiencing disadvantage;
- Access Government support services, available incentives and subsidies by integrating the different resources and services to connect young people, employers, education and training institutions.

Y Careers will deliver real outcomes in support of Australia's care economy. It seeks to increase the numbers of young people who have not previously considered a role in the care and support economy through exposure to care roles, work integrated learning, wrap around supports and a diversity of placements.

By supporting young people through a supported care sector traineeship, augmented with relevant micro-credentials, Y Careers will build the care capabilities of thousands of young people; and will see more and more young people enter ongoing employment in the care sector or other care careers.

By improved matching of work ready trainees with employers, we will see more employers accessing and advocating for care sector traineeships, and establishing pathways to future employment or training in the care sector.

Melbourne Social Equity Institute (part of the University of Melbourne) will evaluate the effectiveness of the program. We will use evaluation findings and the outcomes of continuous feedback and engagement with all stakeholders to build in learnings and improvements and to assess outcomes.

Y Careers is a concrete example of how the Australian Government is supporting innovative solutions – in this case, working with civil society and a consortia approach - to address workforce shortages in the care and support economy by delivering secure, safe jobs with decent wages, conditions and opportunities for career development. We must consider new pipeline options, if we are to address the critical shortages in the care sector – and supported young people are well placed.

We expect the program rollout and evaluation to be of significant value in informing delivery of the Care and Support Economy Strategy and related Action Plans.

Maintaining the Opportunity for Skilled Migration in Care

The Draft Strategy recognises that workforce shortages are a significant challenge to the care and support sectors and that skilled migration plays an important role, with “Migrants mak[ing] up a significant proportion of the care and support workforce”.

These challenges are even more acute in regional and remote communities. In recent years, providers like the Y have utilised skilled migration policies such as Designated Area Migration Agreements (DAMA) to staff centres when local staff cannot be recruited.

In April, the Government announced it will deliver on its election commitment to increase the Temporary Skilled Migration Income Threshold (TSMIT) from \$53,900 to \$70,000 from 1 July 2023.

The Y is supportive of the intent behind these changes (to help increase the skill level of migrants and provide migrants with more certainty) but believes more detailed work is needed to manage the significant downstream impacts and implementation issues that follow, by removing a critical workforce source in the context of a nation-wide shortage of staff. This is especially acute in regional and remote communities.

The new TSMIT will be more than 40% above the existing award rate (\$49,057) for a qualified (Certificate 3) Child Care Worker, meaning skilled migration is no longer a feasible option for employers in this sector.

Recruiting workers for Early Learning Centres in Y Associations in the NT and regional and remote WA is particularly difficult. This is a long-term issue made even harder now with national shortages in the early learning workforce following the COVID pandemic. In the NT, around 400 places at the Y cannot be offered to families due to existing staff shortages. This situation will worsen without access to skilled migration.

DAMA arrangements have kept Y NT centres staffed and open – just over half of our 150 staff are employed using these arrangements supporting the employment of centre directors, room leaders and qualified child care workers.

Without a tailored solution, the new TSMIT threshold will mean:

- New early learning centres can't open
- Child care placements are cut in remote and regional centres – where the workforce shortage is at its most acute, and
- There may be disproportionate impacts on First Nations families and children.

The Draft Strategy references the new Aged Care Industry Labour Agreement. A new industry agreement for the ECEC sector has the potential to resolve these issues but it will need prompt attention with the fast-approaching increase in the DAMA TSMIT threshold. A new ECEC Industry Agreement would need to incorporate a TSMIT threshold that is more comparable to the award rate and provide pathways that attract skilled migrants to regional and remote communities.

Reducing the Burden of Commonwealth IT Reporting Systems

The Draft Strategy has highlighted that the “burden of regulatory reporting has a negative impact on the quality of care and support and the experience of workers”.

We believe there is an opportunity to address the problems in existing Commonwealth data reporting systems. Our frontline staff have highlighted that some of the Commonwealth systems are placing excessive burdens on their time and that improving those systems to make them more user friendly will free up more time for the children in our care.

The following table highlights four of the current systems.

Commonwealth Reporting System	Functions
NQAITS - the National Quality Agenda IT System	Used to inform Regulatory Authority (RA) of closures, serious incidents, waivers, applications for service approvals, assessment and rating documentation; responses to investigations; compliance visits or requests for information from RA; used to advise of persons with management and control or nominated supervisor roles.
PRODA - Provider Digital Access	Online Digital Identity verification and identification service that enables access to the CCS Provider Entry Portal; and used to advise of persons with management and control; register services to receive CCS and update service information already kept on other platforms
ADMS - Apprentice Data Management System	Reporting system used to support traineeship – requires manually uploading payslips, and entering related information that is already available via Single Touch Payroll
The Inclusion Support Portal	The Inclusion Support Portal is where early childhood services interact with the Inclusion Support Program. In the portal, a Strategic Inclusion Plan can be completed to enable access to support under the Inclusion Development Fund.

These reporting systems are widely regarded as clunky and non-intuitive. The constant repetition of entering the same data is one of the greatest challenges. Excessive amounts of double handling and manual entry are required, taking away valuable staff time from providing and supporting quality care.

State-based and Commonwealth systems interact poorly. For example, information relating to a session closure must be uploaded on NQAITS for the RA, yet services are still required to separately email the same information to the State Department of Education because they have limited or no access to NQAITS.

There is little training or practical support in navigating these systems. For example, there is no phone support available for queries or issues nor is there a dedicated email contact for support. There are no case managers or key contacts for a provider, so when a staff member eventually makes contact, they have to start again in explaining who they are and what they need.

Specific issues with the NQAITS include limitations in amending information and generating reports for risk assessments and analysis. These create barriers to risk mitigation, to improving processes and policies, and to making informed decisions through large effort in collating data and information.

There are a number of opportunities to strengthen the NQAITS including:

- Enhancing reporting standards to allow service providers to generate more comprehensive reports to inform quality performance (e.g. by understanding the rate of incidents and critical incidents reported by providers);
- Establishing a customer service platform to navigate the NQAITS system, and to support troubleshooting and general enquiries; and
- Linking both contract management and Service License application/ amendment processes into one system to synchronise the data and eliminate red-tape in the application process.

There are also specific issues with the Inclusion Support Portal, which is difficult to use, and does not effectively enable the uploading of documents, such as signed application forms. Hard copy applications should be phased out and replaced with a simple and easy to use online application for both providers and parents, that links to NDIS systems.

IT systems for reporting need a significant overhaul. The Y recommends this be included in future action plans under the Final Strategy.

There is another productivity opportunity to be identified in ensuring reporting requirements keep pace with changes in the sector. Reporting systems are set up based on single site service providers. With a growing trend of consolidation of providers in the sector, reporting requirements need to keep up.

Most of our Y Associations across Australia run multiple services in OHSC and Early Learning, reflecting this trend. Current system reporting requirements for multi-service providers is highly burdensome for staff - requiring significant double handling of information. A review of systems to ensure they support the growth of multiple service-site providers is much needed.



Conclusion

Y Australia commends the development of a National Strategy for the Care and Support Economy and appreciates the opportunity to comment on the Draft Strategy.

The goals of the Draft Strategy are sound and correctly identify the key challenges for the Care and Support Economy.

We hope that our submission has successfully highlighted some of the opportunities (like Y Careers) and challenges (wages, skilled migration and reporting systems) to be addressed, especially around the workforce challenge.

Y Australia looks forward to working with Government on these issues and through the development and implementation of Actions Plans to deliver on the National Strategy.