



**REGIONAL  
AUSTRALIA**  
INSTITUTE

# REGIONAL AUSTRALIA INSTITUTE SUBMISSION

## JOBS AND SKILLS AUSTRALIA ECEC CAPACITY STUDY



**JANUARY 2024**

Photo Credit: Tourism Australia

## ABOUT THE REGIONAL AUSTRALIA INSTITUTE

The RAI is Australia's only independent think-tank dedicated to research and activation to inform regional policy and investment.

Since 2011, the Institute has been researching topics relevant to the prosperity and success of regional Australia including migration and population; regional employment; jobs and skills; population; housing and health.

The RAI exists so that decision-makers at all levels of government, industry and community have the information they need to ensure the best outcomes for regional Australia.

**Our purpose is to empower regions to thrive.**

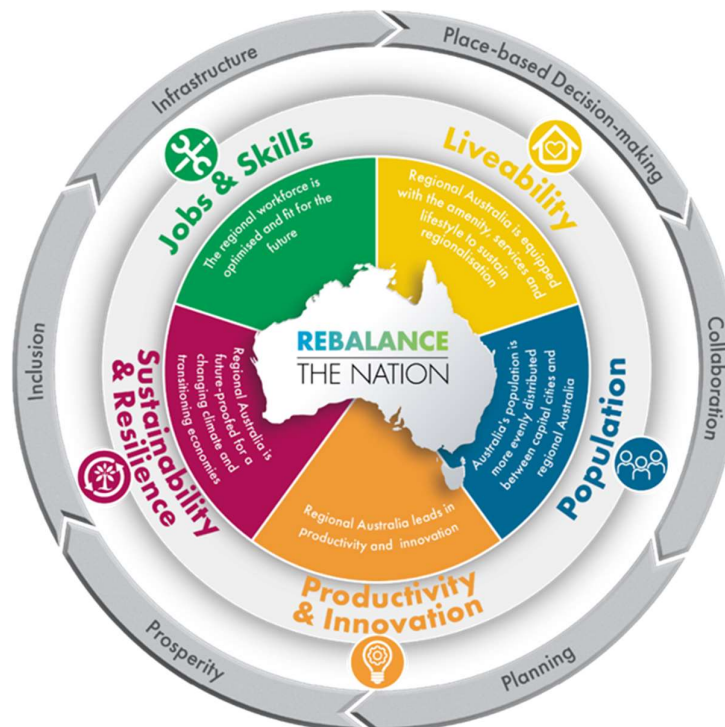
## REGIONALISATION AMBITION 2032

Based on more than a decade of research into the most important issues influencing the regions, in 2022, the RAI launched the *Regionalisation Ambition 2032 - A Framework to Rebalance the Nation* – a 10 year plan for regional Australia.

Designed for all levels of government, industry and the community, the Ambition seeks balanced growth across our nation's regional towns and cities. The Framework underpinning the Ambition outlines cross-cutting themes and five pillars each of which are interlinked and equally important. Across each pillar the RAI has outlined key targets, actions and benefits that will contribute to building prosperous regional communities, and a stronger Australia.

See the **Regionalisation Ambition 2032 – A Framework to Rebalance the Nation** here:

<https://www.regionalaustralia.org.au/Web/RF/Regionalisation-Framework/Regionalisation-Ambition-2032.aspx?hkey=f9cf41e1-2b7e-4870-ac08-9c4efa4cb562>



## OUR MEMBERS

The RAI has an extensive member network spanning corporate Australia and community-based organisations.

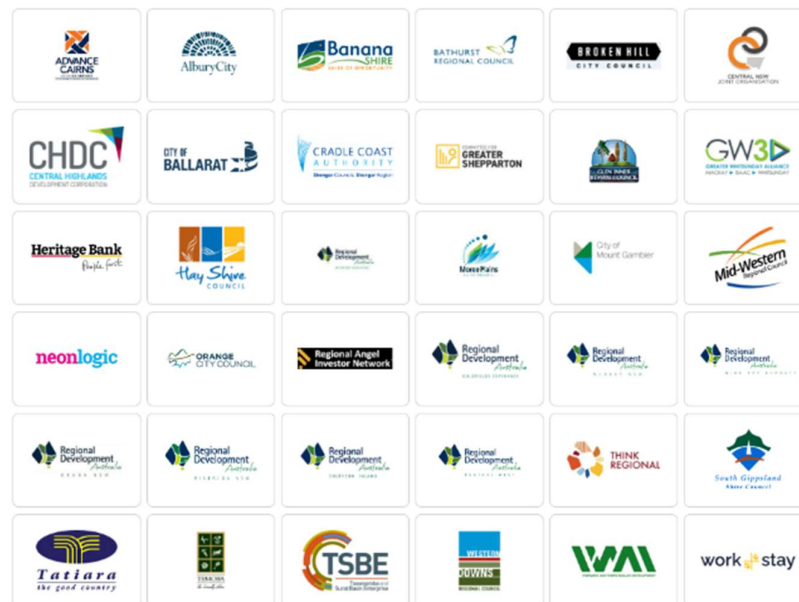
The **Regional Australia Council** is a cohort of leading corporate entities with a footprint in and a commitment to regional Australia. The **Regional Activators Alliance** includes than 30 local government organisations, Regional Development Australia network members, and economic development associations. Both membership groups were involved in the design and launch of the Regionalisation Ambition 2032 and its targets. In 2023, the RAI established the **National Alliance for Regionalisation**, a cohort of 32 of Australia's leading peak industry bodies who support the aspirations of the Regionalisation Ambition 2032 and overarching goal to 'rebalance the nation'.

These networks provide the RAI with a unique, 'lived' understanding and experience of the issues impacting regional Australia.

### Regional Australia Council



### Regional Activators Alliance



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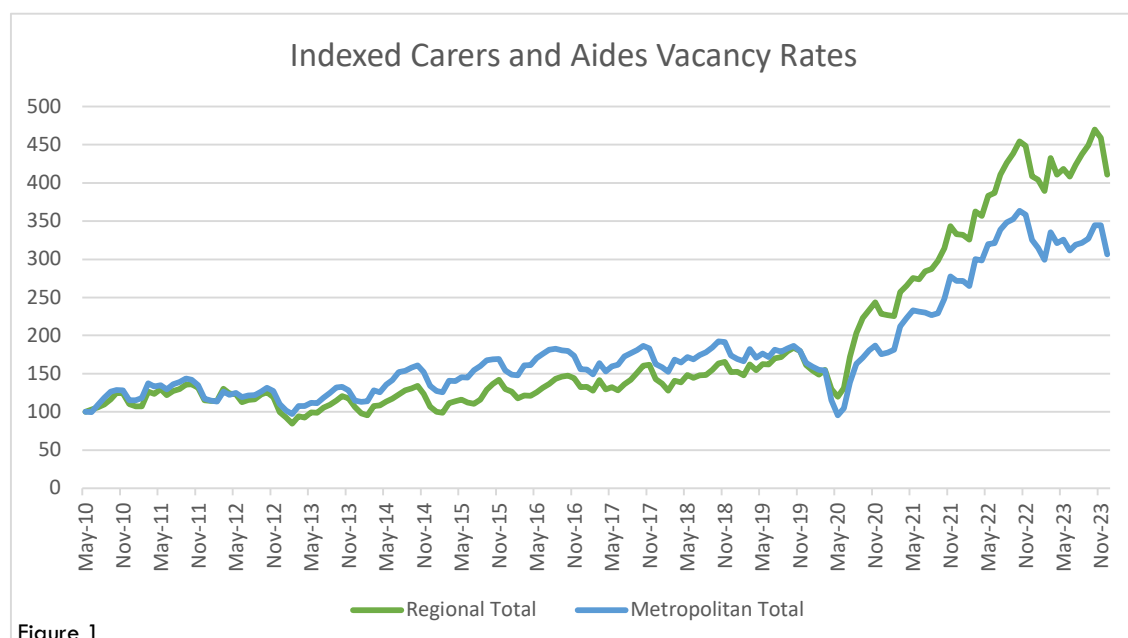
The Regional Australia Institute (RAI) commends Jobs and Skills Australia (JSA) for committing to the *Early Childhood, Education and Care Capacity Study* and providing an opportunity for consultation. As with all policy decisions pertaining to regional Australia, the need for region-specific analysis and place-based solutions is required to achieve optimal outcomes for the diversity of regional Australia and the 9.6 million Australians who live outside major city bounds. To this end the Institute recommends the RAI's *Maranoa and Western Downs Childcare Study*, a comparative study of childcare services of two very different regions, as a basis for how regional analysis of childcare should be conducted.

The primary recommendations of the RAI childcare study, support **the development of a regional workforce strategy for the childcare industry based on *Shaping Our Future: National Children's Education and Care Workforce Strategy*. The Institute supports its prioritisation as an outcome of the JSA capacity study and the Productivity Commission review.** Each region has different characteristics and must be approached differently.

A national strategy must be disseminated into regional specific policy and approaches. **As an overall recommendation, a regional strategy will provide a framework for the other ideas that the RAI will identify in this submission.**

### 1. What are the challenges and opportunities facing the ECEC workforce? How do different ECEC service delivery types (e.g. centre based care, family day care, pre-school) impact workforce challenges and opportunities?

Regional Australia is experiencing a critical shortage of skilled workers in key soft-infrastructure sectors. The Early Childhood, and Education (ECEC) workforce is at the heart of the regional workforce shortage and the ramifications of growing ECEC worker shortages impacts all sectors of the regional economy. Figure 1, the indexed Jobs and Skills Australia Internet Vacancy Index of Carers and Aides, of which Educational Aides and Childcare workers are included, demonstrates how metropolitan Australia has been outpaced by the regions in the growth of job vacancies since early 2020. This growth can be ascribed to



numerous factors primarily stemming from the economic conditions and outcomes of the Covid-19 Pandemic.

Primarily, regional Australia was subject to unprecedented growth and retention of internal migrants, which has been predicted to continue according to the Centre for Population<sup>1</sup>. Moreover, the census period prior (2016-2021) recorded a net gain of 57,252 millennials, increasing the composition of younger people who are likely to start families<sup>2</sup>. Increasing population growth, especially of younger cohorts has applied pressure on supporting infrastructure, especially ECEC services. While the supply-side variables are rather more complicated, the increased demand-sided pressures on already stretched regional ECEC workforces has culminated in the job vacancies illustrated in Figure 1<sup>3</sup>.

Context of the differences in regional and metropolitan subsections of the ECEC workforce must be studied separately in this JSA ECEC workforce capability study. The variables that caused the growth in ECEC job vacancies and the strategies required to remedy the skills shortage are unique to the specific region of study. The RAI recommend that when investigating ECEC workforces, that region types be accounted for as to ensure the nuances of individual regions aren't aggregated and combatted with blanket-policy approaches.

## **8. What are the future needs for the ECEC sector and workforce, and what might influence these requirements?**

The ECEC sector must expand in line with the continued growth of regions. Regional Australia is predicted to be the subject of increased growth, with the regional provisions of the *Migration Strategy*, affordability led internal migration patterns, and the investment from the net-zero transition, as principle of potential growth variables. Demand pressures are set to increase in regions and not just directly on ECEC services.

To optimise the current skilled workforce in regions the removal of barriers must first be addressed. The RAI's *Against the Odds – Realising Regional Australia's Workforce Potential*, illuminates the plight of people with dependent children as a key demographic that must be facilitated in the regional workforce. Of this group, the key barrier to the workforce identified by the RAI was affordable and adequate childcare. The conversation of ECEC must also be considered within a gendered perspective.

In 2020-21 250,000 regional women reported wanting to work or to work more hours, with 25% citing 'caring for children' as the main barrier for both<sup>4</sup>. With women who have a child or children aged under 15, the figure grew to 50% under the same metric. In contrast only 0.2% of men cited childcare as being the main barrier of entry to the workforce. Critically in sole parent families, of which 14.7% of the 7.5 million Australian families are, ECEC is key to their access to the workforce. Furthermore, 83% of single parent families are single mother families

<sup>1</sup> Centre for Population. (2023) *2023 Population Statement*. Centre for Population – Australian Government. Canberra

<sup>2</sup> Houghton, K., Shi, C., and Zou, Z. (2023) *Big Movers 2023- Regional Renaissance: A Rise in Migration to Regional Australia*. Regional Australia Institute. Canberra. p. 6.

<sup>3</sup> RAI – *Jobs and Skills Australia*. (2023) *Internet Vacancy Index November 2023*. JSA website. [Internet Vacancy Index | Jobs and Skills Australia](#)

<sup>4</sup> Hutchinson, D., Block, A., Robin, S., Cheng, Y., Shi, C., Zou, Z. (2023) *Against the Odds – Realising Regional Australia's Workforce Potential*. Regional Australia Institute. Canberra. p. 81.

further compounding the gendered difference<sup>5</sup>. In addressing ECEC shortcomings, gender inequities will also be addressed, especially within regional Australia.

It is essential to maximise the current regional workforce and provide the long-term services to facilitate the future workforce. Encouraging parents, especially women, back into the workforce following parental leave is the first step in addressing the regional skills gap and further improving upon the gender imbalances of workforce participation and wage. This recommendation has been reiterated in the RAI's previous submissions to the Legislative Committee of Community Affairs on the *Paid Parental Leave (More support for working families) Amendment Bill 2023*, and *2024-25 Pre-Budget Submission*.

**12. How is the education and training system responding to the need for a skilled ECEC workforce? Where are the opportunities and challenges? Are there enablers and barriers in providing ECEC training (e.g., jurisdictional differences)?**

Regarding the regional ECEC workforce, training locally and keeping skills local is an overarching principle that should be explored in the JSA's workforce study. The Federal Government has implemented mechanisms to provide these local regional training services in the Regional University Study Hubs (RUSHs) and planned Centres of Excellence (CoE). These programs should provide training/education for the ECEC workforce alongside other prioritised skills. Child Carers, Early Childhood Education Teachers and Childcare Centre Managers all must be targeted areas of skill training.

Options for accessing training regionally has historically been underinvested in. The effect of the RUSHs and CoEs are yet to be demonstrated, but the concept could be revolutionary for the regional workforce. As outlined in the RAI's *Pre-Budget Submission 2024-25*, this same concept is currently being employed on other sectors of the regional workforce, such as the skills required to facilitate the net-zero transition. Applying the same principles on the ECEC workforce by attracting those who would otherwise leave for the metropolitan, or those who want to stay regionally and are yet to be granted the opportunity to study, will increase the pool of qualified ECEC workers.

Furthermore, there should also be greater efforts to establish connections between ECEC service providers and the newly implemented education providers. This connection is essential to the transition of students from study to the workforce and provide regional ECEC services with consistent access to newly qualified workers. Again, this concept is one that has been previously recommended regarding other industry-study provider relationships, and as such its feasibility must be tested in the context of the ECEC industry.

**16. How do wages and working conditions (including location) interact with workforce participation? What factors could be considered?**

In answering how spatial differences affect workforce participation in the ECEC workforce, there are two elements; the general liveability of regions, and as an extension of the question, the outcomes of insufficient ECEC workforce participation.

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<sup>5</sup> Hutchinson, D., Block, A., Robin, S., Cheng, Y., Shi, C., Zou, Z. (2023) *Against the Odds – Realising Regional Australia's Workforce Potential*. Regional Australia Institute. Canberra. p. 81.



Liveability is a central tenant of the RAI's philosophy as outlined in the *Regionalisation Ambition 2032*<sup>6</sup>, encompassing everything from affordable housing, to access to education and ECEC. The 'liveability' of a region is essential to the attraction and retention of skilled workers. In the current context of the housing challenges across regional Australia, access to affordable housing as a rental or purchasable option is critical. Medium-density affordable housing provides the option for younger, single, skilled workers to live in regional Australia. The RAI, in the *Building the Good Life: Foundations of Regional Housing* discussion paper<sup>7</sup>, found the supply of diverse housing stock was synonymous with attracting and retaining the skilled workers required to fulfill job vacancies in regions. This finding was reiterated in the *Regional Jobs 2022: The Big Skills Challenge* report regarding childcare workers<sup>8</sup>.

Furthermore, the supporting soft-infrastructure and amenities of the regions regarding healthcare, transportation, educational, and recreational services are all considerations in this notion of liveability. The evaluation of how easy and enjoyable it will be to live regionally is a concern to those thinking of making the switch from metropolitan as well as those moving to the metropolitan. Hence the foregrounded issue is that to attract workers to provide liveability improving services these services must exist to begin with; alike to a "chicken and egg" scenario. Hopefully with the relative affordability of the regions, paired with targeted Government intervention in addressing the ECEC workforce shortages, the liveability of regional Australia can be enhanced creating a positive cycle of growth and development. However, to resolve the currently stagnant cycle in stalled regions, there must be proactive investment with scope for long-term gain.

The second element of this discussion is still linked to regional liveability, however, also highlights the importance of ECEC workforces in regional Australia. The occasions of workforce disruptions such as illness or staff-turnover will influence any ECEC service irrespective of geographical differences, however the effect these disruptions have on the external economy of regions can be debilitating as opposed to metropolitan areas. In the RAI's *Western Downs and Maranoa Childcare Study*, the level of staff turnover and understaffing were key concerns of the study's subjects as parents place great value on the bond created between carers and the welfare of the children in ECEC services. Further, in situations where staff were unable to work on short notice (illness or misadventure), in thin ECEC markets, these scenarios caused a service provider to shut down for that day. In turn, the onus of childcare was placed on parents who will have to take time off work, further depriving regional businesses of key workers. A spiral effect occurs that influences numerous sectors of the regional economy, outlining how important well-funded and well-staffed ECEC services are in regional contexts, especially less-populated regions.

### **19. Are there innovative practices or case studies of workforce participation that could be highlighted?**

Numerous recommendations were provided by the RAI's *Western Downs and Maranoa Childcare Study*. One of the recommendations was to develop a childcare worker relief pool which is aimed at the re-engagement of childcare workers back into the industry while providing a short-term relief workforce for overworked childcare workers. This

<sup>6</sup> Regional Australia Institute. (2023) *Regionalisation Ambition 2032 – A Framework to Rebalance the Nation*. Regional Australia Institute. Canberra.

<sup>7</sup> Regional Australia Institute. (2022) *Building the Good Life – RAI Discussion Paper: Meeting the demand for regional housing*. Regional Australia Institute. Canberra.

<sup>8</sup> Houghton, K., Barwick, A., and Pregellio, S. (2023) *Regional Jobs 2022: The Big Skills Challenge*. Regional Australia Institute. Canberra.



recommendation solves two problems in one, and in answering this specific question of workforce participation, the option of short-term employment and relief work could be appealing to qualified childcare workers who have either retired or are working in other industries<sup>9</sup>.

As a caveat to this recommendation, a pool of short-term relief workers will not solve the issues of workforce participation, and further should not be relied on as a sole solution. The reason why over-reliance should be avoided is to prevent a short-term casualised workforce which could decrease the overall quality of care regarding the highlighted relationship between service dissatisfaction and high staff turnover. Relief workers should only be used to relieve not as long-term staff.

The potential outcomes of this worker pool could be revolutionary to regional communities such as Maranoa or the Western Downs. Providing a layer of security for parents going to work, childcare centres to remain operational, and providing an employment opportunity for the disengaged. A pool of relief workers will be an invaluable asset to regional communities.

**Attached to this submission is the RAI's *Maranoa and Western Downs Childcare Study*.**

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<sup>9</sup> Regional Australia Institute. (2023) *Maranoa and Western Downs Childcare Study*. RAI. Canberra.