

## Questions on Notice

### Senate Inquiry into the Provision of Child Care

### Canberra public hearing – 14 August 2009

#### Outside School Hours Care

1. *Average amount of Child Care Benefit or Child Care Rebate per child over time.*

For the average amount of Child Care Benefit per child over time please see Table 1 in Attachment A.

Child Care Rebate is unable to be calculated via care type.

2. *Total amount of Child Care Benefit (by financial year) over time.*

This is provided in Table 1 in Attachment A.

3. *Total amount of Child Care Rebate (by financial year) over time.*

Child Care Rebate outlays are unable to be calculated by care type.

4. *Total amount of Child Care Support funding (by financial year) over time.*

This is provided in Table 2 in Attachment A.

5. *Growth in the number of places over time.*

This is provided in Table 1 in Attachment A.

6. *Growth in the number of services over time.*

This is provided in Table 1 in Attachment A.

7. *Growth in the number of children over time.*

This is provided in Table 1 in Attachment A.

#### In Home Care

8. *What has happened in the last six years in this care type?*

- June 2005: RPR Consulting report “Final Evaluation Report: In Home Care” completed.
- 2007: In response to RPR evaluation, eligibility criteria for families to access CCB approved In Home Care was tightened. Principally, the legislation was amended to remove eligibility for breast feeding mothers working from home.

- March-June 2007: An allocation round was conducted to release 1200 additional In Home Care places.
- Following the November 2007 Federal Election and the subsequent Machinery of Government changes, administration of In Home Care moved from the then Department of Families, Community Services and Indigenous Affairs to the Department of Education, Employment and Workplace Relations.
- 2008: 'Interim Standards for In Home Care' were adopted.

9. *Growth in the program – number of places/services provided over time.*

In Home Care is a capped program. Between 2002-03 and 2007-08 the number of services providing In Home Care has been relatively stable, fluctuating between 73 and 82 service providers offering care. During the same period the number of places offered by In Home Care providers has grown slowly from approximately 2,500 to 4,600. (Source: Centrelink and DEEWR administrative data)

10. *What methods have remained the same or changed in terms of the funding of this care type?*

- Families using In Home Care receive Child Care Benefit and Child Care Rebate under the same arrangements as families using other forms of approved care.
- Some child care services are also eligible to receive support funding under the Child Care Services Support Program. For all In Home Care (and Family Day Care services), this support includes set up assistance for new services to help with establishment costs, and also operational support funding. For In Home Care, operational support funding is designed as a contribution to the costs involved in recruiting, monitoring and supporting a network of carers and allocating carers to provide flexible care for children in their family home. In Home Care and Family Day Care Services travelling large distances to monitor, train or support carers also have access to the Regional Travel Assistance Grant (RTAG).
- The basis for operational support funding for In Home Care has changed in line with funding arrangements that apply to other forms of child care under the Child Care Services Support Program, as follows:
  - October 2006 onwards: In Home Care operational support funding has been gradually changed from a calculation based on a service's nominated representative usage, to one based on actual utilisation of places. This change affected the majority of Family Day Care and In Home Care services. The formula takes into account actual usage of the service, as well as its geographical location. Funding increases as remoteness increases.
  - October 2006 onwards: A small number of services were paid operational support under a formula known as Sustainability Assistance. This assistance was targeted to services operating in remote areas with lower expected utilisation and where the service could be deemed to be unviable without this support. For both In Home Care and Family Day Care services, this support has gradually been phased out and also replaced by funding based on actual usage of places.
  - 2008-2009: In Home Care services were transitioned to the Child Care Management System along with other mainstream child care services.

*11. What issues are involved in this care type?*

By its very nature, In Home Care faces challenges that other care types do not. As the care is provided in the family home of the child and often on a short term basis, there are particular challenges in:

- ensuring that the care environment is safe for the child/ren and the carer.
- ensuring the physical safety of the carer.
- providing access for the service provider to the caring home.
- ensuring compliance with State Regulations (where applicable) and with conditions of funding agreements the service has with the Australian Government.
- ensuring compliance with the Interim Standards for In Home Care, adopted in 2008.
- ensuring that the duties of the carer are carefully defined and monitored so that the carer is not diverted into carrying out household chores as well as caring for the child.

**Corporate child care**

*12. How many companies are currently listed on the stock exchange that provide child care? (The Department stated at the hearing that it understands that there are none, but would clarify and let the Committee know if this response was not accurate).*

The Department needs to clarify the previous response provided to the Committee at the public hearing. There is one child care provider listed on the Australian Securities Exchange (ASX), Early Learning Services Limited.

*13. If the Department was given information regarding lower quality in ABC centres, particularly the continued exemption of required qualified staff, did the Department act or contact state counterparts (if it was a state issue)?*

The National Childcare Accreditation Council (NCAC) is responsible for child care quality issues. The NCAC has an agreement with states and territories to exchange information relevant to each authority. Any complaints received by the NCAC that relate to possible breaches of licensing requirements are reported to the relevant jurisdiction for follow-up.

The NCAC conducts spot checks, to prevent child care operators with a number of services (both ABC and non-ABC) from moving qualified staff and resources from centre to centre to coincide with scheduled compliance checks.

By contrast, the Department's compliance activities are associated with Child Care Benefit (CCB) approval and do not include issues of quality (ie- staff numbers and qualifications).

An analysis of the Department's compliance activities and Ministerial correspondence received since the current Government was sworn in, relating to ABC Learning shows no evidence of systematic issues of non-compliance. ABC Learning was not over-represented in compliance complaints or breaches. Of the correspondence received, none raised the issue of exemptions for qualified staff.

## Quality

*14. What would be the impact on budget and the provision of service if the child care sector was to come into pay parity with the education sector for equivalent qualifications?*

A modelling exercise would need to be undertaken to consider these issues and the financial impacts of potential further changes. However it is anticipated that pay parity between the child care and education sectors could potentially increase costs to governments, the sector and parents given the apparent remuneration differences between these parts of the sector. An increase in wages costs may also have a small impact on service provision, although it is not anticipated this would be significant given the past market behaviour. The various employment arrangements of ECEC workers (i.e. various state/federal awards or enterprise agreements apply) which apply, vary considerably across the public, private or not for profit sector. Evidence has shown that pay parity between the sectors will raise the professionalism and status of the occupation and in so doing, assist in recruiting and retaining staff thereby enhancing the quality of early childhood education.

An award modernisation process is currently being undertaken by the Australian Industrial Relations Commission (the Commission) to develop modern awards to operate in the federal workplace relations system. Modern awards will commence on 1 January 2009. Modern awards for the education services and early childhood sectors are being developed as part of Stage 4 of this process. The modern awards will include minimum wages for classifications covered by the modern awards, including applicable classifications requiring education degrees in the school and child care sectors. Choosing a new national benchmark, however, is particularly complex, particularly where there are a diverse range of provisions currently applying in states and territories.

On 22 May 2009, the Commission published an exposure draft of the Educational Services (Teachers) Award 2010, covering preschool teachers working in services operated by a school only. On 25 September 2009, the Commission published an amended version of the Teachers Award, which now includes coverage of preschool teachers in addition to primary and secondary teachers. The exposure draft for the Health and Welfare Services (Children's Services) Award 2010 was also published on 25 September 2009. Parties are now able to make further submissions to the Commission on the exposure draft before final Stage 4 modern awards are made on 4 December 2009.

*15. The Committee requested a copy of the document that was produced by the Department about the attitudes of parents towards child care, that was reported in an article in the Australian (13 August 2009).*

The Committee requested a copy of a department-funded report by the Social Research Centre on the attitudes of parents towards child care, that was reported in an article in the Australian (13 August 2009). The full report is attached.

**TABLE 1: Number of places/services/children for OSHC\* and CCB expenditure by financial year, 2000–01 to 2007–08**

Financial year	Places	Services	Children	CCB expenditure	Average CCB per child
2000-01	179,743	4,706	268,365	\$ 77,832,242	\$ 290
2001-02	230,511	5,407	311,297	\$ 102,765,085	\$ 330
2002-03	229,934	4,854	333,028	\$ 117,291,087	\$ 352
2003-04	253,720	5,091	334,289	\$ 119,943,372	\$ 359
2004-05	261,238	5,126	349,140	\$ 128,529,630	\$ 368
2005-06	274,132	5,250	351,470	\$ 128,305,889	\$ 365
2006-07	302,487	5,463	360,124	\$ 130,546,602	\$ 363
2007-08	318,689	5,631	362,194	\$ 129,216,373	\$ 357

\* OSHC: Outside School Hours Care (includes After School Hours Care, Before School Hours Care and Vacation Care)

Data for 2008-09 is currently unavailable

Source: Centrelink Administrative Data and DEEWR's database of child care services.

**TABLE 2: Community Support Program Expenditure 2006-07 through to 2008-09****CCB Approved Outside School Hours Care**

Financial year	Funding provided
2006-07	\$9.4 million
2007-08	\$11.7 million
2008-09	\$9.9 million