

**Family Day Care Australia**

**The Australian  
Government  
Productivity  
Commission**

**Inquiry into Childcare and Early  
Childhood Learning**

January 2014



Family DAY CARE AUSTRALIA

# FOREWORD



## About Family Day Care Australia

Family Day Care Australia (FDCA) is a national peak body which supports, resources and advocates for family day care services and educators. Our role is to resource and promote family day care services to ensure the strength and continued growth of the sector in Australia, to support high quality learning and developmental outcomes for children. FDCA has approximately 22,000 members, representing 765 approved service members and over 20,000 educators<sup>1</sup>. Family Day Care Australia takes a rights based approach to all research, policy development and advocacy work it undertakes, underpinned by a strong commitment to the UN Convention on the Rights of the Child.

## About Family Day Care

Family day care is a form of regulated early childhood education and care (ECEC) which takes place in the educator's home. Family day care educators are early childhood education and care professionals, registered with a family day care 'approved service' that is responsible for registering, supporting, training, monitoring and advising its educators. The approved service administers a "coordination unit", which employs administrative staff and coordinators, who act as field staff actively supporting and monitoring educators in their work.

Family day care operates under the National Quality Framework for Early Childhood Education and Care (NQF); incorporating national regulations, quality and qualification standards, educational frameworks and an assessment and ratings process. Family day care services are Child Care Benefit approved under Family Assistance Law and therefore parents are eligible for the Federal Government Child Care Benefit (CCB) and Child Care Rebate (CCR) subsidies.

The family day care sector provides flexible education and care across both standard and non-standard hours, and is regulated under the Education and Care Services National Law and Regulations, and therefore meets the requirements defined in the National Quality Standards. This care and education is provided across Australia, including in rural and remote communities where in some instances family day care is the only form of approved child care available to families. Family day care provides experiences which reflect the diversity of the communities in which they operate.

Family day care provides early childhood education and care services for children across Australia, and educators work with small groups of no more than four children under school age. An educator may care for an additional three school aged children outside of school hours. The majority of family day care educators are self-employed, working as sole traders, with a small percentage engaged as employees by the approved service.

Educators are required, under the Education and Care Services National Regulations, to hold (or be actively working towards) a Certificate III in Children's Services (or equivalent) and coordinators are required to have Diploma in Children's Services (or equivalent), as a minimum qualification as of 1 January 2014.

Family day care services almost 85,000 families across Australia, accounting for 135,000 children. There has in recent years been extremely strong growth in the family day care sector, with an increase of just over 15% in the year to March 2013, with family day care and in-home care now accounting for just over 13% of the child care sector<sup>2</sup>.

<sup>1</sup> Figures as at 13 January 2014

<sup>2</sup> Child Care & Early Learning in Summary, March quarter 2013, Department of Education

# Overview

## Foundational positions

The submission provided below, should be accepted within the context of several foundational positions. These are:

### 1. Children must be central to all major ECEC policy decisions

- Considerations relating to “optimising children’s learning and development” (TOR, 1.b) must take precedence over those relating to workforce participation, given the proven links between high quality provision of early childhood education and developmental outcomes for children
- The “vision” and the “outcomes framework” outlined in the Council of Australian Government’s initiative Investing in the Early Years – A National Early Childhood Development Strategy (NECDS) should form the central reference point for any major policy decisions made in relation to the early childhood education and care sector

### 2. Investment in ECEC is investment in Australia’s future, and more is needed

- A significant body of research exists linking high levels of investment in quality early childhood education to greater educational and social outcomes for children and later adults, which correlates directly to significant savings for taxpayers and governments (COAG, 2009; OECD, 2006; Heckman, 2007)
- Greater levels of expenditure in early childhood education and care are required for the Australian Government to achieve the objectives set out in the NECDS and the requirements defined under the National Quality Framework.
- Increasingly, emphasis should be placed on direct funding to services

### 3. Early childhood requires education, not just care

- The nomenclature of “early childhood education and care” should be retained (as opposed to “early childhood learning”) in recognition of not only the current National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care, but also of the role of ECEC services in facilitating formal education structures for under school age children

### 4. Quality is paramount

- All policy decisions should be driven by the rationale of establishing high quality ECEC services, due to the direct correlation between ECEC quality and learning and developmental outcomes for children. Therefore, the fundamental elements of the NQF should be retained as they provide a sound platform for the integration of care and education with a defined focus on quality outcomes for children.

### 5. Any new home-based care models must fall under the purview of the NQF to ensure high quality learning and developmental outcomes for children

- The existing family day care structures are a proven operational model to administer and monitor a variety of permutations of home-based care.

## Focus areas

FDCA’s submission will focus on six (6) broad areas:

- Funding
- Access and equity
- Alternate models of education and care
- Quality and the NQF
- Workforce participation
- Flexibility

# funding

## Key positions

1. Greater expenditure in early childhood education and care by the Australian Government must occur in order to provide the best possible learning and developmental outcomes for children
2. Funding should be increasingly directed towards approved services, rather than parent subsidies
3. Key funding structures for family day care under the Community Support Program should be maintained
4. Child Care Benefit and Child Care Rebate systems should be amalgamated into a more accessible, equitable and transparent system
5. Funding support for mandatory qualifications (Certificate III and Diploma in Children's Services) should be delivered through a new nationally consistent program or maintained through existing programs, such as the National Workforce Development Fund (NWDF)

## Expenditure levels and direction of funds

The cornerstone of FDCA's position in relation to funding for early childhood education and care is that greater investment is necessary by the Australian Government. While the Terms of Reference for this inquiry state that the recommendations made "for future Australian Government policy settings, the Commission will consider options within current funding parameters", FDCA would argue that this does not allow for the Australian Government to adequately achieve the objectives defined elsewhere in the Terms of Reference.

There is a large body of international research supporting the case for greater investment in early childhood education, Nobel Prize laureate James Heckman argues there is an ever-diminishing return on investment in human capital, and the greatest cost-benefit ratio occurs through investment in early childhood. The case for an increase in expenditure is further bolstered by the evidence provided in the OECD reports *Starting Strong II: Early Childhood Education and Care* (2006) and the Education at a Glance series. These reports indicate two key issues in relation to investment in ECEC, that is, the importance of higher expenditure and that other OECD countries spend considerably higher levels of GDP on ECEC than Australia.

The latest Education at a Glance report (2013: 192) shows that Australia spends 0.1 percent of its GDP on "pre-primary education", yet the OECD average is 0.6 percent of GDP. The report does not take into account all spending on ECEC, yet "this restriction is true for all countries and Australia's expenditure on pre-primary education is low, even when the underreporting of this expenditure is taken into account" (Dowling and O'Malley, 2009: 2).

Whilst data presented in the Report on Government Services 2014: Volume B Child Care, Education and Training (Figure 3.15: 3.62) does indicate that real recurrent expenditure on child care services per child has been progressively increasing since 2009-10 the rate of this increase has not kept pace with change and growth within the sector.

Increased spending on the ECEC sector can be considered a "social investment strategy (Esping Anderson, 2003 in Cass 2007: Heckman and Masterov, 2007) with long-lasting, intergenerational benefits, both economic and social.

*The argument here is predicated on the well-substantiated international literature which demonstrates that good quality early childhood education and care services are of benefit in improving the social/emotional wellbeing, and cognitive development outcomes for all children, particularly for low income and disadvantaged children – an effect which recognises children both as present citizens whose wellbeing should be paramount and as future citizens with respect to the enhancement of their educational and employment participation, often called their human capital (Lister 2004, in Cass, 2007; 97).*

Yet, for funding to be effective in achieving its objectives, it must of course be appropriately targeted. Given that the Australian funding system is skewed towards "demand-side" or subsidy systems (as opposed to "supply-side" or direct systems), one must question whether a re-evaluation of this bias is necessary to better achieve the goals set out in the NECDS.

Bretherton (2010: 14) argues that the Australian system of funding for the ECEC sector (being predominantly characterised by demand-side funding mechanisms, as opposed to many of the Nordic countries, which are characterised by supply-side mechanisms) has initiated and perpetuated what may be termed a "devaluing of the crucial work done throughout the ECEC sector. While the Australian ECEC sector is, and has long been characterised by a mix of government, private for-profit and community-based not-for-profit providers, greater emphasis on supply-side funding mechanisms would assist in facilitating higher quality outcomes for children (OECD, 2006).

“The evidence suggests that direct public funding of services brings more effective governmental steering of early childhood services, advantages of scale, better national quality, more effective training for educators and a higher degree of equity in access compared with parent subsidy models” (OECD, 2006; 14).

While not all ECEC services receive significant levels of direct funding, the vast majority of family day care approved services are eligible for direct funding through the Community Support Program (see below) and FDCA strongly advocates for ongoing maintenance of this funding structure.

### Community Support Program

The overwhelming majority of CCB approved family day care services rely to varying degrees on the Community Support Program (CSP), most significantly on the Operational Support component of funding. The current *Community Support Program Guidelines for Eligible Child Care Service Providers*, states that “FDC Operational Support is funding to support FDC services with the ongoing, day to day costs of delivering quality, affordable child care.” This is a rationale that applies virtually universally.

An underlying principle of the CSP is to support the coordination unit element of the approved service to, in turn, support educators to provide high quality, flexible home-based education and care. This direct support of coordination units is imperative, as coordination units recruit, train and support educators, monitor educators to ensure adherence to legislative requirements, provide professional development opportunities and implement continuous improvement strategies. In addition, coordination units provide advice and information to families in both selecting an educator for their child/children, and in supporting educators to support both the family and the child’s ongoing needs.

FDCA strongly supports the level of funding provided through the Community Support Program, which encompasses Operational Support, Sustainability Assistance, Set-Up Assistance and Regional Travel Assistance Grants (RTAG) for family day care, however index increases have not kept pace with increasing costs of service delivery. This impacts disproportionately upon small, rural and regional services who face additional challenges and therefore additional costs.

Without sufficient increases in Operational Support payments, additional costs are passed directly to families and in some cases there may be a reduction in services. The impacts of reduced funding are

varied and dependent upon factors such as the location and size of the service and the service demographic. For example, in rural and remote areas, services have additional operating expenses, encounter greater difficulty in accessing training and professional development, recruiting and retaining staff, and face barriers regarding the administration of support to educator networks. Reductions or discontinuation of RTAG funding impacts upon the amount of face to face support small regional and rural service may be able to provide to their educators. Disproportionate effects may also apply to smaller FDC services, which are also more likely to operate in rural and remote areas. In addition, services operating in areas of economic disadvantage struggle to retain families when fee increases are required; creating a disproportionate impact on children with the greatest developmental vulnerabilities.

### Child Care Benefit and Child Care Rebate

Family day care service users also receive additional funding support through Family Assistance law structures which also, in turn, assists service providers. As indicated above, FDCA would support a shift towards greater emphasis on “supply-side” funding models; however, such a shift would not necessarily negate parent subsidy systems in their entirety. FDCA’s primary position in relation to the current subsidy systems provided through the family assistance structures is that they should be simplified, consolidated and hence rendered more transparent and effective.

FDCA supports in principle the central rationales of recommendations 99 and 100 outlined in Australia’s Future Tax System: Report to the Treasurer (2009; 100), outlined below:

*Recommendation 99: Child Care Benefit and Child Care Rebate should be combined into a single payment to parents (or to child care centres) in respect of each child based on a percentage of child care costs. The payment should have the following features:*

- a. a high rate of subsidy for low-income families that covers most of the costs of child care (up to 90 per cent). This would involve a small co-payment for low-income families;
- b. a base rate of assistance for all families that use child care to facilitate parental engagement in the workforce. The base rate of assistance should be set as a proportion of child care costs, with reference to the marginal tax rate faced by the majority of taxpayers. (Based on the

*indicative personal income tax rates scale in Part Two Section A1, this would indicate a rate of assistance of 35 per cent);*

- c. access to the base rate of assistance subject to a requirement that parents participate in work, education or training. Where parents are not participating, the maximum rate of assistance should be available for a limited number of hours. The number of hours subsidised without a participation requirement should be the same as the number of hours of universal access to pre-school (15 hours by 2013); and*
- d. coverage of the full costs of child care for at-risk children and children facing multiple disadvantages, without participation requirements on parents.*

*Recommendation 100: The child care payment should be means tested down to the base rate of assistance based on family income and should have regard to the interaction with other means tested payments (income support and family payments) and marginal tax rates, to ensure that effective marginal rates of tax are not excessive.*

## Funding for qualifications

“Being able to promote our industry as a professional sector requiring qualifications supports understanding of the significance of the early years and demonstrates this to our families and community.”

Source: Anonymous quote from Approved Service survey response – FDCA, 2014

As with any service delivery industry that undergoes significant regulatory reform which increases quality standards and professionalisation, fee increases for service users are inevitable in some areas. While a range of funding support structures available to service providers and families currently assist in ameliorating the effects of the introduction of the NQF, FDCA must emphasise the importance of the establishment or maintenance of funding programs to support attainment and enrolment in mandatory

qualifications, as determined under the Education and Care Services National Regulations<sup>3</sup>. This should be delivered through a coherent national program that could therefore target specific areas of need (for example, regional and remote areas or potential educators from CALD backgrounds). Such a program could be administered and delivered through existing grant structures, for example, through the National Workforce Development Fund (NWDF), the Workplace English Language and Literacy (WELL) program and the Recognition of Prior Learning Initiative.

Throughout 2012-13, Family Day Care Australia, in partnership with Family Day Care Association Queensland and the NSW Family Day Care Association, successfully obtained and administered over 600 partially funded training places (Certificate III, Diploma and Advanced Diploma in Children’s Services) through the NWDF for family day care educators and coordination unit staff. This program proved to be extremely successful in supporting enrollment and attainment of the relevant qualifications now mandated under the NQF.

Such funding programs are imperative, given the projected need for ECEC into the immediate future. This may be observed through current growth rates evident in the Child Care and Early Learning in Summary (March Quarter 2013), which indicates that the number of children in family day care has grown 15% over a year from March 2012. The ECEC sector as a whole has grown 6% over the same period.

<sup>3</sup> See Education and Care Services National Regulations Chapter 4, Part 4.4, Division 4

# access and equity

### Key positions

1. Family day care is well placed to cater for children with high additional needs, however, greater levels of support are required in some areas to promote increased participation and to assist services to adequately cater for these needs, through the Inclusion and Professional Support Program and more specifically through the Inclusion Support Subsidy
2. Family day care is an ideal service type to operate in regional and remote areas however additional funding and support is required, a priority being assistance in the attainment of mandatory qualifications
3. Family day care is a desirable service type for children from disadvantaged backgrounds, or for vulnerable or "at risk" children, due to a range of factors including the small group size, low child to educator ratios, home environment settings, individualised programming, and the facilitation of stable, secure and ongoing attachments to a primary educator
4. Family day care services should be incorporated into the Universal Access program where approved services and educators can show they are delivering a pre-school program, or directly facilitating access to a pre-school program
5. For quality ECEC to be universally accessible, it must be affordable

### Inclusion and the Inclusion and Professional Support Program

Access and equity are inherently intertwined concepts in the provision of early childhood education and care. Consolidating the discussion surrounding these two distinct yet intertwined concepts may occur through exploring the notion of inclusion, given that it is prevalent within the current parlance, both for government and the ECEC sector. FDCA's fundamental position in relation to inclusion is that FDC is an exceptionally malleable service type that can cater for a diverse range of needs, though in some circumstances may require greater support, funding or program amendments to do so.

The Inclusion and Professional Support Program defines children with additional needs are those from the following priority groups:

- children with disability, including children with ongoing high support needs;

- children from culturally and linguistically diverse backgrounds;
- children from a refugee or humanitarian intervention background; and
- Indigenous children.

The guidelines go on to state:

*Inclusion Support Agencies (ISAs) are funded across 67 regions to provide eligible ECEC services with practical support that will help services to build their capacity to provide a quality inclusive environment for children with additional needs. This includes working with eligible ECEC services to remove barriers to participation for children with additional needs, and promote and maintain high quality care that is free from discrimination, segregation and prejudice.*

The IPSP is designed to assist family day care educators in facilitating adequate care structures for children with additional needs, through mechanisms such as the Inclusion Support Subsidy (ISS) and the regional Inclusion Support Agencies which incorporate Inclusion Support Facilitators (ISF). However, at times these programs or support structures are inadequate in fulfilling their function.

Evidence collated by Williamson (2010), taken from second wave Longitudinal Study of Australian Children (LSAC) data, indicates that 'one third of (family day care) providers were caring for at least one child with a disability or developmental delay.' Data from the FDCA Educators' Survey 2010-11 support this figure, indicating that 437 out of 1,337 educators (approximately 33%) care for at least one child with diagnosed additional needs. Utilising this data as a representative sample, the projected number of children with additional needs within family day care is significant.

While a significant proportion of educators receive training or information through their coordination units in relation to caring for children with additional needs, a considerable percentage (indicated through the FDCA Educators' Survey 2010-11) were not aware of ISAs and ISFs and their mandated role. This suggests that perhaps there are inadequate levels of communication between some ISAs and the family day care sector in certain areas.

The IPSP Guidelines 2013-2016 cite the Inclusion Support Subsidy:

*as a Capacity Payment to family day care educators in recognition of the additional care and attention required by children with ongoing high support needs in their care and the impact of this on the educator... (and/or) ...to engage an additional carer to accompany a Family Day Care educator*

*or In Home Care carer and child or children with ongoing high support needs on out-of-home excursions or other special activities with typically developing peers (for example Family Day Care playgroups or vacation care excursions).*

In September 2010, FDCA surveyed the sector with regard to their experiences with the ISS program, and inclusion support structures more broadly. The responses pointed out flaws in the inclusion support system, primarily with the Inclusion Support Subsidy, rather than Inclusion Support Agencies and Facilitators. The principal workforce-related issues that became apparent through this process were:

- The eligibility criteria has become increasingly restrictive, which has rendered a significant number of educators (who had previously had approval to access ISS) unable to continue accessing the subsidy. This can impact on the ability of such educators to continue providing care to children with additional needs, as the subsidy is often crucial to ongoing sustainability due to educators being unable to carry the full complement of children allowed under state regulations.
- There can be an excessive amount of 'red tape' for ISS applicants, which is a barrier to those initially applying and is particularly obstructive to reapplication for funding for those children with unchanging diagnosed additional needs.
- The administrative requirements of the program present a significant barrier to take up by small to medium sized approved services, or those in outer regional or remote areas who may not have the resources of larger services.
- At times, there can be little interaction or partnerships between services providing education and care to children with additional needs.
- There can be a detrimental delineation between state and federal funding responsibilities for children with additional needs. A more collaborative approach between levels of government is necessary.

Family Day Care Australia recommends that the ISS program's administrative requirements be reviewed in order to better facilitate family day care services' accessibility. This must occur if the Australian Government is to achieve the vision and outcomes outlined in the NECDS.

## Universal Access to Preschool

Family day care has been excluded from participating in the universal access program or having any programs defined as meeting universal access requirements, despite meeting all relevant criteria under the Interpretations in the National Partnership Agreement on Early Childhood Education. This provides an uneven playing field with the rest of the early childhood sector who are able to receive funding.

Family Day Care Australia and the family day care sector support the objectives of the universal access program and advocates that the unique nature of family day care can assist in facilitating increased participation levels across jurisdictions. In some cases by delivering a preschool program, or in other cases, facilitating access to alternative preschool programs. This is particularly so for regional, rural and remote areas, where family day care may be the only accessible type of approved service operating under the NQF, and for children with additional needs.

Many families choose family day care for the specific small group setting and the strong relationship they develop with one educator. This is in line with the definition of universal access in the National Partnership Agreement that refers to "...a diversity of settings; in a form that meets the needs of parents; and at a cost that does not present a barrier to participation."

For many families this would create a more accessible preschool solution, with less stress in the day to day lives of working families. Further this would recognise and acknowledge their choice of early childhood education and care as a highly regarded option for quality.

Over 61% of all family day care services operate in regional, rural or remote areas. In many rural and remote areas, family day care is the only type of formal early childhood service available. To be able to provide flexible options for delivery of universal access in these areas would greatly enhance capacity to meet the goals of 95% participation.

While it is not a requirement under the National Quality Standard for family day care to have four year trained teachers leading programs, the sector has recognised the importance of their role in providing pedagogical leadership and meeting the quality outcomes required as part of the National Quality Framework. As such the family day care sector has highlighted the inclusion of more four year trained teachers as part of the sector's five year strategic plan.

While there are already many four year trained teachers working within family day care, it is anticipated that workforce development requirements will demand a significant increase in this number. Workforce constraints in the early childhood sector mean that inter-sectoral partnerships are an option to assist family day care to meet this goal. These partnerships would be developed in response to the needs and context of the families and communities in which they are situated. The ability of family day care to implement a range of flexible options for the delivery of universal access programs via a partnership model will improve the jurisdiction's ability to meet universal access goals in a coordinated way.

Family day care already provides "wrap around" services with preschools and kindergartens thus providing opportunities for expansion of professional partnerships and more integration of services.

A number of innovative universal access models of service provision, within family day care, designed and led by four year trained teachers, have been piloted across Australia. These have included integrated approaches within existing programs, mentoring models and teacher led playgroup sessions.

Family Day Care Australia must assert that the family day care sector holds significant capacity in enabling all families the opportunity to participate in universal access, regardless of their early childhood service choice, potential locational disadvantage or requirements to support their child with additional needs.

## **Affordability**

Affordability can often relate directly to accessibility. Data presented in the Report on Government Services 2014: Volume B Child Care, Education and Training (Figure 3.10: 3.42) indicates that across Australia on average, family day care is less expensive than centre-based long day care. "Nationally, the median weekly cost for 50 hours of care in 2013 was higher for centre-based long day care (\$364) than for family day care (\$339)." For family day care to remain an affordable option, current levels of funding under the Community Support Program must be retained.

# alternate models of education and care

### Key positions

1. The extension of family day care to include other forms of in-home/home-based care should be explored, within the context of the current parameters of the NQF to ensure high quality outcomes for children and maximum flexibility for families

Further, FDCA strongly believes that family day care approved services are the most appropriate existing structure by which the provision of any home-based care model could be delivered. However, such a shift in service delivery structure would require further research to ensure such services delivers consistently high quality outcomes for children.

FDCA supports the provision of Australian Government funding for alternate forms of education and care which meet families' disparate and changing needs, however to ensure children receive the highest quality education and care, services (approved to administer CCB, as opposed to BBF services) should be subject to the regulatory structures and quality standards established under the National Quality Framework. The overriding aim of all service types should be the provision of high quality care and education to Australia's children to ensure excellent developmental outcomes.

To this end, flexibility in the family day care model of service provision should be explored, and the implications and impacts of family day care provision in locations outside of an educator's own home be further examined. Whilst there is provision in the national regulations for "in-venue" care, and care outside an educator's home already occurs in some jurisdictions within Australia, approaches by regulatory authorities across the states and territories is not uniform.

In other relevant examples, such as the New Zealand in home care model (as referred to in the Terms of Reference), care may take place not just in the educator's home, but in the child's home, or in an approved third party location. FDCA would welcome further exploration of this idea, in an Australian context, provided that any such re-definition of the family day care model be underpinned by 'Foundational Position 4' of this document; that all policy decisions should be driven by the rationale of establishing high quality ECEC services. This would be consistent with the goal of ensuring that Australia's children "have the best start in life", as outlined in the COAG National Early Childhood Development Strategy.

# workforce participation

### Key positions

1. Quality affordable, accessible and flexible child care is a key influencing factor in workforce participation for women
2. Attracting an early childhood workforce equates to supporting professional wages, subsidised training and professional development
3. Working as a family day care educator provides unique workforce participation opportunities for people (particularly women) from diverse backgrounds, including workers from non-English speaking backgrounds
4. Family day care may be an appropriate service type for some Aboriginal and Torres Strait Islander communities, however research in this area is required

Australian families are increasingly balancing work and family responsibilities, and the provision of high quality, accessible, affordable and flexible childcare is essential to maximising workforce participation, particularly for women; in particular child care can be cost prohibitive for low income working families.

A system that supports parents in balancing their family responsibilities with workforce participation is important to achieve positive social and economic outcomes for parents and their children. As outlined above, because access to high quality education and care is crucial to early childhood development, it is essential for families facing additional challenges, such as children from jobless families, children with disabilities, indigenous children, children in rural and remote areas and children from diverse cultural backgrounds who may not have English as a first language. Evidence suggests that access to quality early childhood education and care can lead to significantly improved developmental outcomes for these children, as well as providing a smoother transition to school.

### Training and qualifications

“Our regional service believes that more resources, including training and funding, needs to be provided to ensure that services have the ability to support the educators, particularly when a service supports a wide geographic area. Our service provides a monthly face to face visit however we would like to provide the educators with a fortnightly visit but can't due to limited staff hours. Some of our remotely located educators receive a support visit every 6 weeks which places extra pressure on staff to ensure that educators have a good understanding of the NQF.”

Source: Anonymous quote from Approved Service survey response – FDCA (2014)

The early childhood education and care sector is critically short of appropriately qualified staff, and therefore (as mentioned above) FDCA must strongly advocate for the establishment of a coherent national funding program to support attainment and enrolment in mandatory qualifications.

While the Australian Government has funded a number of programs to assist with the workforce development needs of the ECEC sector (specifically in relation to VET qualifications), the demand for assistance far outweighs the supply. This demand will be ongoing, given the commencement of the mandatory qualification system under the NQF.

In 2011, the Community Services and Health Industry Skills Council (CSHISC), in partnership with Family Day Care Australia, undertook research relating to the FDC workforce. The aim of conducting the research was to guide recommendations to build the capacity of the FDC workforce in response to policy reforms in the early childhood education and care sector, under the NQF. The report states "The identification of potential barriers to undertaking recognition assessment and/or training and assessment as well as developing a best practice model for skill development is seen as critical in maintaining the existing workforce as well as attracting new workers into the FDC sector."

The barriers identified to FDC educators undertaking training included:

- a lack of flexible delivery options that catered to the unique work environment of educators
- a lack of support and access to trainers
- the expense of training
- poor recognition assessment processes

A best practice approach to training and assessment was also identified. This includes:

- flexible delivery options - outside hours of care
- FDC educator centred and coordinator centred recognition assessment practices
- alignment of existing induction and orientation processes to accredited children's services qualifications
- FDC specific training and assessment practices and materials
- subsidised training
- assessment, training, coaching and mentoring support provided by coordinators

Family Day Care Australia advocates for the adoption of the remaining recommendations in the FDC Workforce Development Report, which fall under the broad areas of:

1. Options for better recognising skills and developing pathways within the CHC08 Training Package (now new CHC Community Services Training Package - Release 1.0)
2. Effective Promotion of FDC Sector
3. Access to Funding and Support for Training and Assessment

Additionally, Buchanan (2010) cites a gap between the VET and higher education streams as contributing to a "skills atrophy" across the ECEC sector as a whole. Without a coherent strategy to merge these streams, this atrophy cannot be

adequately addressed.

### **Fostering increased participation**

Family day care can be a suitable career choice for a diverse range of persons from "employment disadvantaged" groups, such as those who have been out of the workforce for a considerable period of time, those with English as a second language and members of the Aboriginal and Torres Strait Islander community. It can provide a long term career, reliable income, training and professional development opportunities, pathways to other career opportunities, and broader community development opportunities.

However, to do so, coherent targeted engagement and support strategies must be supported by the Australian Government. This is a key recommendation in the Family Day Care Workforce Development: Research Project Final Report (2011). One possibility for the development of the family day care workforce in this area would be a mentoring or traineeship system, which could also target particular geographic areas of need. However, any strategy "will require careful thinking and consultation in order to address the existing challenges faced by Aboriginal and/ or Torres Strait Islander educators and CALD educators where some existing cultural practices, beliefs and traditions may at times be incongruent to mainstream practices. For example, for Aboriginal and/ or Torres Strait Islander educators staff-to-child ratios challenge kinship responsibilities and expectations" (CSHISC, 2011). Therefore, as above, more research in this area is required.

# quality and the NQF

### Key positions

1. The central components of the National Quality Framework for Early Childhood Education and Care should be retained
2. Quality in early childhood education and care is directly influenced by educator education levels, professionalism and educator to child ratios
3. FDCA supports mandatory minimum qualifications as currently prescribed in the NQF for educators and coordination unit staff, and low child to educator ratios, based upon clear evidence that this is essential to ensuring high quality outcomes for children
4. The basic elements of the service approval process under the Education and Care Services National Law are appropriate, though additional requirements for new family day care service approvals may be appropriate, which could include additional operational training programs and/or the provision of additional evidence of operational competence
5. Service approval processes should be applied more rigorously by state and territory Regulatory Authorities

As stated above, FDCA strongly advocates for the retention of the fundamental elements of the National Quality Framework for Early Childhood Education and Care, as they provide a sound platform for the integration of care and education with a defined focus on quality outcomes for children. Therefore, FDCA supports the renewal of the National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care in 2014.

However, the implementation of the NQF has had significant impact upon the sectors' administrative workload, with particular impact upon educators who find the increase in administrative activities burdensome, in that it takes up time which they feel could be better spent with the children in their care. Therefore, additional research should be undertaken to minimise the administrative impact of the NQF, on both approved services and educators.

“Our service supports the NQF as we feel it has clear outcomes which are able tailored to meet individual services within diverse communities. This means there is a level playing field across service types. It has led to higher expectations of professionalism within the sector and raises the benchmark for understanding what comprises quality care. The NQF also encourages services to continuously improve both their operations and the level of care they provide.”

Source: Anonymous quote from Approved Service survey response – FDCA (2014)

Research undertaken regarding the impact of early childhood is unequivocal: our early childhood experiences have a direct impact upon our social and cognitive development. Therefore it is essential that the quality of an early childhood service be high to ensure the best experiences and outcomes for children.

There is a considerable risk in scaling back the significant regulatory reforms under the NQF in not allowing children the best possible chance in achieving their full social, developmental and cognitive potential, but also in exposing children to increased risk of harm. The protective structures upheld by the Education and Care Services National Regulations are robust, and provide a sound framework by which to protect Australia's children within ECEC structures.

Early Childhood Australia's 2011 State of the Sector Report outlines the determinants of quality within an early childhood education and care setting and emphasises that two critical influencers of a high quality service are educator to child ratios, and the level of staff qualification.

Many studies show a direct negative correlation between the size of a group of children in the care of one educator and the quality of care given. Huntsman (2008) states "higher ratios (a large number of children per educator) have been associated with lower levels of process quality (Burchinal, Roberts, Nabors, et al., 1996; Burchinal, Roberts, Riggins et al., 2000; Burchinal, Howes & Kontos, 2002; Vandell & Powers, 1983; Volling & Feagans, 1995; Rao, Koong, Kwon et al., 2003)." Additionally, Howes et al. (1997) also suggest that education and care provided to infants is more sensitive to the influence of group size.

To this end, FDCA has been and continues to be a consistent advocate for minimum qualification levels for both educators and coordination unit staff and therefore strongly supports the minimum qualification levels prescribed in the NQF. Additionally, FDCA has consistently supported lower child to educator ratios, as prescribed within the NQF, in line with current ECEC research, cited above.

<sup>4</sup> Report on the NQF and Regulatory Burden, ACECQA (2013)

**flexibility**

### Key positions

1. CCB should be paid at a higher rate for non-standard hours of care
2. Changes to encourage flexibility must take into account affordability and access for all families
3. Any changes must also direct financial support to services, in conjunction with fee support for families
4. Consideration of any alternate models must ensure high quality service delivery

Family day care offers flexibility in terms of hours of operation and bookings that centre-based care cannot; many family day care educators charge by the hour, with no minimum booking, whilst others charge for sessional care, with 8-10 hour blocks the most common. In addition, after school hours care is offered by some educators, and this is charged at either an hourly rate or booked in sessions of 2-4 hours.

Whilst many educators are able to be flexible in their provision of care with regard to changing shifts and flexible booking practices, for other educators this type of flexibility is too difficult, either because of issues surrounding income surety or because of the impacts upon their family life in providing this type of care.

### Non-standard hours care

Currently, the provision of non-standard hours care (early starts, late finishes, weekend and overnight care) is an option, offered by those family day care educators who are willing to provide it and who are registered with Coordination Units which support it. Whilst some educators offer this care upfront, it often is something that evolves with the family's needs. The decision to non-standard hours care rests solely with the educator, within the parameters of their Coordination Unit's policies and procedures. Fee structures for providing non-standard hours care are also by and large up to the individual educator, and vary greatly depending upon the educator's charging practices. Whilst some educators charge a premium for non-standard hours care, others provide the service at the same or similar rate to standard hours care. This most often relates to the demographic in which the care is provided, i.e. the families' capacity to pay.

At present, the exact amount of provision of non-standard hours care by FDC throughout Australia is not easily quantified. A survey contacted by FDCA in 2011 showed that 14% of educators were providing weekend care and 12% providing overnight care. However, the survey did not assess the frequency

of such care. FDCA has been unable to source more specific information from the government in this regard, and we understand that the Child Care Management System (CCMS) is unable to readily provide this type of utilisation data.

Further research is currently being undertaken by FDCA in this area as part of the Family Day Care Flexibility Trials.

### Family Day Care Flexibility Trials

In late 2011 FDCA met with various trade unions representing emergency services personnel who were looking at more flexible childcare options for their members. These workers have unique needs in terms of juggling child care; firstly, care is required across 7 days a week, 24 hours per day, 365 days per year. Public holidays are particularly busy times, and times when they are often unable to source leave. In addition to these requirements, their rosters are fluid, they generally undertake long shifts with unpredictable shift extensions, and are expected to accommodate last minute shift-changes.

Sector consultation in the latter half of 2012 suggested that FDC service providers were not aware of any unmet need for non-standard hours care, so expansion or promotion of this type of care on a wider scale had not been considered either necessary or a priority. The sector undertook to work with the emergency services unions to connect their members with family day care services at 9 selected sites of need, spread across 3 states, in an Australian Government initiative known as the 'Family Day Care Flexibility Trials'. The trial objectives are to:

- Provide participating families with access to high quality early learning and care within a family day care environment
- Enable participating families to better manage their work and family responsibilities through access to more flexible child care arrangements
- Increase workforce engagement for participating families
- Increase the supply of educators willing to provide more flexible child care to police officers/nurses/paramedics
- Provide evidence of what would be required to support a sustainable model of flexible service provision into the future, including replication in other geographic sites with similar needs

The majority of the care that has been sought through the trials in these early stages is extended hours care, early starts, late finishes and weekend care rather than overnight care. It is envisaged that the use of overnight care may increase as the trials progress, and as families become comfortable with their educator. The monitoring of service provision for the trials will cease at the end of September 2014, with a final report due in December 2014.

### **Impacts of providing flexible and non-standard hours care**

There are additional challenges to the provision of flexible care; it is more complex than being able to provide care on regular days each week or each fortnight. This has implications for both the educators and Coordination Unit staff. There are impacts upon service providers, with extra outside hours supervision and responsiveness required, however it is the impact upon educators which is most significant. Provision of both non-standard and flexible care impacts upon on their own family life as the care takes place in the educator's family home. The provision of flexible care to accommodate last minute shift extensions or shift changes also impacts on family life.

In addition, provision of such care needs to be financially viable. Educators are managing:

- a family's changing work roster and compatibility with their availability and the needs of the other children in their care
- last minute shift extensions, which provide added challenges in terms of the length of their own work shifts, and also where care may cross over with other booked care and therefore exceed allowable ratios, under the Education and Care Services National Regulations

This can make running a viable business more difficult; if educators need to keep a place for shift-working families to accommodate shift changes, or shift overruns then this is foregone income if the place is not utilised\* (see also "affordability" below).

In addition, to run a viable business, educators require multiple children in care; if the provision of flexible care, meeting shift requirements, shift changes, extensions, etc. means that educators only have 1 or 2 children in care at a time, it makes the provision of flexible care a much less attractive proposition, particularly given impacts upon family life, and in many cases undermines long term viability. The unpredictability of care required also makes balancing this form of care difficult, as educators are seeking to ensure a consistent income whilst parents are concerned with the costs of paying for care they may not use.

### **Affordability of flexible and non-standard hours care for families**

The provision of non-standard hours care is often charged at a higher rate, yet Child Care Benefit (CCB) rates applicable are the same. This makes this type of care less affordable for families. Some educators will also charge for a "minimum booking" period for families to keep a place available for their children; if some of this care is not utilised it can become unaffordable for families.

In addition, for shift-working families whose shifts end late at night, the children remain in care overnight until they can be picked up at an appropriate time in the morning. This can make care shift bookings long, and also therefore expensive and for some, unaffordable.

### **Promoting non-standard hours care**

FDCA advocates that CCB should be paid at a higher rate for non-standard hours of care. This enables greater affordability for families, and encourages provision of such care by educators. Consideration also needs to be given to providing a loading or additional payment to coordination units to support outside hours support and monitoring.

Further research needs to be undertaken with regard to incentivising the provision of more flexible care to make the provision of such care more viable for educators.

## Conclusion

If the Australian Government is to truly commit to widespread and comprehensive reform within the early childhood education and care sector, greater investment is required. Elevating both the economic and social value of the work of the ECEC sector, which starts with increased public investment, should be a priority for the Australian Government if it is to show true commitment to the National Early Childhood Development Strategy formulated and ratified by the Council of Australian Governments.

Notwithstanding the importance of workforce participation to the Australian Government's economic and social policy, children must be placed at the centre of all major policy decisions relating to early childhood education and care. For Australia to make a true commitment to the future of our children, and hence the future of our country, the learning and developmental outcomes of our under school age children are unequivocally paramount.

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