

NATIONAL IN-HOME CHILDCARE ASSOCIATION (NICA)

Submission to the Productivity Commission Inquiry into Childhood and Early Childhood Learning



NICA
February 2014

*“The Future of our nation rests on the capacity, confidence, resilience and
Self-esteem of our youngest Australians”¹*

¹ Message from Her Excellency Ms Quentin Bryce, AC, Governor General of the Commonwealth of Australia for the Global Leadership Program’s launch of A practical vision for early childhood education and care

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Abbreviations:

- **ANA- Australian Nanny Association**
- **ADHC - Aging, Disability and Home Care Department**
- **CCB – Childcare Benefit**
- **CCR – Childcare Rebate**
- **COAG - Council of Australian Governments**
- **CCMS – Child Care Management System**
- **CPR - Cardiac Pulmonary Resuscitation**
- **DEEWR – Department of Education and Workplace Relations**
- **DHS – Department of Human Resources**
- **ECEC - Early Childhood Education and Care**
- **FDC – Family Day Care**
- **FBT – Fringe Benefit Tax**
- **HELO - New Zealand Home Education Learning Organisation**
- **IHC - In-Home Childcare**
- **LDC – Long Day Care**
- **NCPA - National Child Protection**
- **NGO – Non Government Organisation**
- **NICA -National In-Home Childcare Association**
- **NQF – National Quality Framework**
- **OOHC - Out of Home Care**
- **PORSE – Play, Observe, Relate, Support, Extend**
- **SCCB - Special Childcare Benefit**

Content:

Introduction	page 5
Background	
• NICA	page 6
• IHC program	page 7
• SCCB	page 8
Submission	
• Uncap and Extending the IHC Programme	page 11
• Stream 1 - IHC for vulnerable 'children at risk'	page 12
• Stream 2 - IHC for emergency service shift workers	page 14
• Stream 3 - Flexible IHC/Nanny Services	page 16
Conclusion	page 20

INTRODUCTION

Uncapping and extending IHC to provide additional places is an important part of the solution in providing parents with the choice they are asking for on whether they choose to organise the education and care for their children within the family home, family day care or in an early education centre.

The terms of reference for this review into Childhood and Early Childhood Learning by the Productivity Commission is to establish a sustainable future for a more flexible, affordable and accessible ECEC environment that helps underpin the national economy and supports the community especially parent's choice to participate in work and learning and children's growth, welfare, learning and development.

In Australia we have long recognised that high quality and integrated early childhood education and care (ECEC) is vital to a secure future for our children and COAG has given priority to improving early childhood development outcomes across the country and IHC is a vital part of the policy mix.

Mainstream childcare is increasingly unable to respond to the needs of modern families for more flexible delivery during an increasing range of additional hours that are being required by employers in today's working environment.

Many professional women work long hours extending past the normal hours of operation of child care services; whereas women who working shift or casual work, who are often lower paid, need access to services that are more flexible both in hours of operation and in accommodating changes in circumstances²

Renowned economist, Saul Eslake said "this is not just more people paying more taxes. It's more people actively engaged in the workforce producing goods and services that people want and earning income that is spent creating opportunities for other people".³

In the words of Melbourne mother Amy Phillips: "if you think about the whole idea of women returning to work and really just increasing the productivity and ultimately adding to the well-being of the whole country, it's really important that women are supported to go back to the workforce".⁴

Since the child care forums in 2012 there has been much media coverage and discussion regarding this issue with the many providers of ECEC from the community, private and family day care sectors joining with the users of social media, unions, business and professional women's organisations all calling for more flexibility for families even if there is diverse views on how we achieve this outcome.

² National Foundation for Australian Women Women's Voices, September 2011 p41

³ Dollars and sense nannies, by Stephen Lunn, The Australian 31 March 2012

⁴ ABC News by Rebecca Nash, 2 August 2013

NICA believes that IHC has the capacity to tick the parental boxes. The intensive direct 'in home' care model provided by the IHC could be pivotal in providing the answer to the questions raised by many families where the key focus is always the flexibility, care and the education of their children. IHC is delivering for children and families by providing this safe and nurturing environment.

BACKGROUND

NATIONAL IN-HOME CARE ASSOCIATION (NICA)

The National In-Home Care Association (NICA) was established in 2004 and is the national peak body for the Commonwealth funded In-Home Care program. NICA represents the in-home childcare community, carers, approved agencies, their staff and families aiming to ensure the success and continual growth of in-home childcare.

Furthermore, as a peak body, NICA is the representative organisation that provides information, membership support, resources, advocacy, representation, and research and policy development for its members and the IHC industry in Australia. The members of this organisation comprise of the stakeholders from the In-Home Childcare community.

NICA sets the industry benchmarks and maintains a voluntary code of ethics designed for the In-Home Care (IHC) industry that ensures the safety and welfare of the families and children we care for.

In June 2005, RPR Consulting carried out a research project - *Department of Family and Community Service Final Evaluation Report: In Home Care*, which made clear recommendations that In-Home Care develop National Regulatory Standards to ensure that services meet basic health and safety standards and are consistent across the States and Territories.

In response to these recommendations, funding was allocated to NICA for the development of a set of Standards and NICA convened a steering committee which culminated in the roll out and implementation of the In-Home Care Standards in February 2008.

IHC was the first Child Care Service type to have a uniform nationally recognised set of Standards operated by the Department of Education, Employment and Workplace Relations (DEEWR) Funding Agreements in 2008.

These IHC Standards have proven themselves to be an effective starting point in ensuring the provision of child care that is safe, nurturing and educational for a child using IHC.

IN-HOME CHILDCARE (IHC) THE PROGRAM

In-Home Care (IHC) is a capped, small, vital and integral part of child care services for families and a highly successful part of the early childhood mix and is presently only half of one percent of the Early Childhood budget of more than \$25 billion over the next four years⁵.

While there are currently only around 5011 places within the IHC program across the country, there has been no allocation of new places in recent years apart from a reallocation of 790 unused places in 2012.

IHC is classified as an 'out of scope' service and was expected to remain so until the review of the National Quality Framework (NQF) in 2016. However, NICA is actively lobbying government for the early inclusion of IHC in the NQF.

IHC is recognition that some families do not have access to other child care options for a range of reasons, including non-standard working hours, which affects workers in a range of industries like emergency services, health, tourism, performing arts, retail and manufacturing. Many families live in remote locations with dispersed populations where there are no other forms of child care.

IHC started as a small additional funding program attached to family day care, designed to provide child care for families in particular circumstances. The first approval to provide IHC was given in 1993, and growth was limited, with only 25 approvals made by 1999.

In 2000, the then Minister Senator the Hon Jocelyn Newman put in place a collaborative research project investigating the child care needs of families with a child with a chronic illness or disability, and parents who work shifts or non-standard hours and led to the funding of three pilot in-home care services.

The research project was undertaken by the NSW Family Day Care and the Australian Federation of Child Care Centres in collaboration with the Department of Family and Community Services. The pilots were located in New South Wales, Tasmania and Queensland, and were seen to be successful in meeting the objectives of providing flexible monitored child care to eligible families.

As a result IHC as a targeted form of child care was funded by the Australian Government in 2001 under the *Stronger Families and Communities Program*. Presently, IHC is only a flexible option for families who cannot access existing child care services such as those working shift or non-standard hours, have an illness or a disability or those located in rural or remote communities who do not have a service available.

⁵ Childcare in Australia August 2013 – Key Facts

When IHC was established by the Australian Government in 2001 they announced more than 7700 in-home child care places over 4 years at a cost of \$50 million. This was recognition of IHC as a vital part of the ECEC policy mix in the wide suite of integrated child care arrangements for many eligible families.

The current demand and growth of demand for IHC places is constant and is placing pressure on families who are forced to wait for support as their broader coping and provisioning resources are eroded.

There is a high need for IHC places to be uncapped as extensive waiting lists are reported by IHC providers across the country.

Currently IHC places are targeted to families who:

- have no access to existing child care services; or
- their circumstances mean that an existing child care service cannot meet their needs

And at least one of the following criteria also applies:

- the child has, or lives with another child who has, an illness or a disability;
- the child's guardian (or guardian's partner) has an illness or disability that affects their ability to care for the child;
- the child lives in a rural or remote area;
- the work hours of the child's guardian (or guardian's partner) are hours when no other approved child care service is available; or
- the child's guardian (or guardian's partner) is caring for three or more children who've not yet started school.

SPECIAL CHILDCARE BENEFIT (SCCB) – IS CARING FOR VULNERABLE, 'AT RISK' CHILDREN AND THOSE WITH AN ILLNESS OR DISABILITY

NICA strongly supports the Special Childcare Benefit (SCCB) and believes every child in Australia has the right to childcare and SCCB assists this, particularly when cost is a factor for families.

SCCB is a vital component of ECEC and of the IHC program. It was designed to strengthen the child care safety net and provides care and support to those many children who are falling through the formal mainstream child care safety net; the Special Child Care Benefit (SCCB) was a response to the National Child Protection Agreement⁶.

Under the family assistance law, an approved child care services can approve up to 13 weeks of SCCB in a financial year for a child using their care. If a child needs more than 13 weeks of SCCB, the service may apply to DHS for consideration of further SCCB assistance.

⁶ National Framework for the Protecting Children 2009-2012

The SCCB is for the care of a child is at risk of serious abuse or neglect, and can help support their connection with, and engagement in, quality early learning and child care, and in turn assist their safety, wellbeing, resilience and development.⁷

SCCB also has a role in supporting families with the cost of child care where they are experiencing a hardship event that impacts significantly on their ability to pay child care costs. This includes hardship that results from natural disasters and/or periods of local emergency.

SCCB is also identified as an additional form of Commonwealth assistance for families as part of the Commonwealth Disaster Recovery Taskforce's response to natural disasters.

Where SCCB is granted in accordance with the law, services may receive up to the full cost of approved child care through SCCB. Where SCCB is approved it is not subject to parental income tests⁸.

There is good evidence to suggest that early intervention and prevention programs in the areas of maternal, child and family health; early childhood education and care; and family support programs can improve outcomes for children, particularly those from disadvantaged backgrounds.⁹

IHC supports the most vulnerable families, some presently without any support and who are falling under the radar of the system. Our philosophy is to keep these children safe and our approach is a program that operates from the inside out, not the outside in.

It is a policy response to the needs of families and is founded on well documented research such as the High Scope Perry project that clearly demonstrates that the quality of the experience that a child has in their early years casts the outcomes in later life.

SCCB is a vital component in the lives of many families whose children have complex child care needs. While there are many thousands of examples of the families we care for, we've outlined a few such examples below:

- Perth family with a terminally ill toddler who has very complex medical needs and requires 24 –hour care and the family has two other children. With the assistance of the SCCB the other child is able to maintain normal school hours and care always available for their one year-old;
- Mother diagnosed with Alzheimer's disease prior to the birth of her daughter. With the assistance of IHC the father was able to continue with his job and provide for his family while the IHC educator provided invaluable support while assisting him to cope with the demands of a new born. This form of care allowed the mother to

⁷ A Guide to the Special Child Care Benefit 10 July 2012 p5

⁸ A Guide to the Special Child Care Benefit 10 July 2012

⁹ COAG, protecting children is everyone's business: national framework for protecting Australia's children 2009–2020.

spend some precious time with her daughter prior to her death. This child has recently been successfully transitioned to long day care;

- With a mother suffering from severe Multiple Sclerosis, the family struggled to find care and support for their daughter. The provision of IHC allowed the family to stay together and the mother to spend quality time with her daughter;
- Family referred to 'Brighter Futures' through DOCS' Helpline for SCCB based on vulnerabilities of domestic violence, parenting skills, limited social supports and child behaviour. Mainstream services were not an option for her two autistic children aged 6 and 4 years due to the challenges mother faces in the day to day;
- Father with a 2 ½ year old daughter and another daughter about to be released from hospital who was delivered at 26 weeks due to her mother being diagnosed with cancer 2 weeks earlier. The mother only survived 9 weeks after the diagnosis. The father was left with the care of his 2 young daughters with limited family support;
- Father caring for his 3 year old daughter whose mother died from lung cancer. Mother's family from overseas and father had no family support close by;
- Family referred by Brighter Futures through Community Services for the care of an 8 month child recovering from major surgery in an environment where the child was at risk of neglect.
- Mother diagnosed with Acute Lymphoblastic Leukaemia (ALL) while 18 weeks pregnant and as it was vital that she commenced chemotherapy immediately her baby was delivered 10 weeks early. Mother's illness has left her in a fragile emotional state and it was essential that mother and baby are together to strengthen their bond. "The services of Sydney In-Home Childcare is invaluable in enabling the family stay together while the mother recovers from her illness", Royal Hospital for Women, Randwick, NSW.

When evaluating the High Scope Perry Preschool project¹⁰ in 2000 the US Department of Justice Office of Juvenile Justice and Delinquency Prevention reported that the outcomes of the High/Scope Perry Preschool study demonstrate the value of prevention and early intervention efforts in promoting protective factors that reduce delinquency.

SUBMISSION

¹⁰ Juvenile Justice Bulletin October 2000 The High Scope Perry Preschool project

UNCAP AND EXTEND THE IHC PROGRAM

As the Productivity Commission considers options for restructuring the funding and flexible service delivery models accessed by families with children who attend approved early education and care services, there should also be consideration into opening hours and flexibility.

IHC can offer parents a real choice by uncapping and extending In-Home Care (IHC) to all parents and as such NICA is advocating an extended IHC program that has three streams of care as a solution to service delivery.

Australia could boost business productivity by driving greater female workforce participation with flexible work offered at all levels. When given the opportunity to work flexibly, women are our most productive employees, wasting \$14 billion less than their male colleagues every year.¹¹

Currently, continuity of employment is stopping women from competing effectively in the labour market. Women who take even a few months out of the workforce miss out on crucial learning, career advancement or promotion opportunities, helping to further widen the pay gap between females and males across all levels of an organisation.

Like the New Zealand Home Education Learning Organisation (HELO), NICA knows that IHC produces a quality learning experiences and education from 0 to 5 years in family-focused home environments for children.

The closest model for IHC overseas is the PORSE programme that was developed in New Zealand in 1994 as a guide to early childhood students undertaking practicum in family homes. From this experience and knowledge of the Early Childhood sector the 'Bay Nanny Childcare Network' was established to provide nannies with secure employment opportunities and families to gain the benefit of IHC and they received a charter with the Ministry of Education in 1995.

The PORSE programme represents just nine per cent of the early childhood education and care sector. It is based on sound common sense simple notions, ideas and research. The programme today is still a rapidly growing in-home childcare service

In Australia, childcare costs continue to rise and there are many reasons for these fee increases, not least being a lack of competition and choice for families within the early child care sector. Extending the eligibility of the existing IHC program to more families will not only provide more choice it will also demonstrate that more competition into the sector as a whole has the capacity to reduce costs across the board.

¹¹ The Role of Unlocked Australian Productivity Potential July 2013 EY Building a Better Working World p7

NICA is suggesting the existing IHC program be extended and enhanced into three streams of care. This would require the programme to be uncapped to provide additional places; new legislation and regulations; the vetting of educators/nannies/au pairs who are currently working outside of the system, largely unlicensed and unvetted. We also believe that IHC should fall immediately within the scope of the NQF as it is presently categorised as a 'out of scope' service until the review that is expected in 2016.

As was recommended in the National Foundation for Australian Women Discussion paper for the Tax Forum, October 2011, written by Helen Hodgson, UNSW. "Parents using child care services in the home should be entitled to benefits on the same basis as approved child care services on the condition that the person caring for the child(ren) holds appropriate qualifications and immigration status and that all relevant industrial relations and occupational health and safety obligations are met."¹²

STREAM 1 –CARE OF VULNERABLE 'AT RISK CHILDREN AND CHILDREN/FAMILY LIVING WITH SERIOUS ILLNESS OR DISABILITY

IHC was designed to strengthen the child care safety net and provide alternative care options for families who could not access the established formal mainstream care services and the SCCB today is a vital part of all ECEC services.

SCCB is an important element of the Government's Protecting Children is Everyone's Business – National Framework for Protecting Australia's Children 2009-2020 that recognises and supports the importance of inclusion of children at risk of serious abuse or neglect in quality early childhood development and child care and was endorsed by COAG in July 2009¹³ .

The Federal Government's commitment to IHC is managed through the allocation of capped placements under the IHC program. However, the demand and growth of demand for IHC places has placed enormous pressure on families who are forced to wait for support as their broader coping and provisioning resources are eroded.

Unmet needs for children and families under stress usually result in their circumstances deteriorating and a wider and deeper resource response being required from Federal and State Governments at a much greater human and monetary cost.

¹² National Foundation for Australian Women Discussion Paper for the Tax Forum, October 2011, Helen Hodgson, UNSW p7

¹³ A Guide to Special Childcare Benefit 10 July 2012 p 6

Several programs are available under the IHC program depending on the circumstances of the child and family, with families being able to access either the Child Care Rebate Benefit or Special Childcare Benefit to offset costs.

These financial arrangements are organised by Human Services (as the most appropriate body) and are therefore available for both services provided directly to families, as well as in many cases those contracted directly with organisations such as Family and Community Services, Brighter Futures and Wesley Mission.

Presently decisions on applications for SCCB are made on a case by case basis by approved Childcare providers, having regard to all information available about the circumstances of each application. It has been suggested this system could be reviewed with all applications sent to the SCCB team for approval.

NICA strongly believes that SCCB should not be tampered with, it works and is effective. The human cost of changing the SCCB would come at an enormous cost to many families, and would clearly be a backward step.

We also believe that consideration be given to putting in place a separate application process for certain cases that would receive approval for 12 months at a time i.e. palliative single parents, high level disability as their situation does not change every three months.

Presently each application for SCCB must be considered on its circumstances, consistent decision making will have regard to:¹⁴

- family assistance law legislative requirements for SCCB. In particular for SCCB 'at risk' to be approved a child must be considered to be in a current situation where they are at risk of serious abuse or neglect
- the intent of the National Framework for Protecting Australia's Children to encourage and support usage of SCCB where this is appropriate
- the complexity of cases/circumstances and that variations in these circumstances or sets of circumstances may impact on the assessment made; and
- That other forms of support such as disability, respite care or foster carer support (state/territory responsibilities) may not be available or may be inadequate for the support needs of some families, exacerbating the likelihood of parents becoming overwhelmed and children being at risk.

STREAM 2 – IHC FOR EMERGENCY SERVICE SHIFT WORKERS AND RURAL AND REMOTE AREAS

¹⁴ A Guide to the Special Childcare Benefit 10 July 2012 p9

Imagine you are a nurse working rotating shifts including night work, and partner who is a Police Officer and is working a 12 hour shifts also rotating with night shifts. Can you imagine the nightmare of trying to organise and coordinate child care for your 2 & 4 year old children?

Presently, this is like having no childcare!

The benefits for such families of an extended IHC program are obvious as they get the additional flexibility they need by opening up this new stream of IHC places designed to receive the childcare rebate that will allow eligible parents to access this flexible form of child care and receive government support for it and in turn returning to the nation through productivity and taxation.

It is ironic that these Australian workers who give so much to their community by way of service, by way of caring for, by way of protecting and preserving property, are the ones for whom the present system is ill considered and is just not working. It is time to address this imbalance, time to give back to these essential service workers.

ACTU president Ged Kearney supported a call by Joe de Bruyn, the head of Australia's biggest union, the Shop Distributive and Allied Employees Association, for government to provide assistance for in-home care by saying "I'm sure there are nurses who work late shift or night shift whose husband also works late shift who find that it gets very difficult to use a childcare centre."

IHC can offer this flexibility to emergency services workers by extending the program for this category of worker and this can be achieved within the existing system with some modifications and as such NICA submitted a pilot plan for 2000 places in their 2013/14 Budget Submission to the Federal Government.

As the peak body for the In-Home Childcare Association, NICA will work with the Department and the Government regarding the operation of a pilot scheme that would test the benefit for families and cost to the government. To assist this pilot plan the following issues would need to be considered by government:

- Pilot plan to be restricted to emergency workers with more than one child under five years of age and whose work roster requires them to work at nights and weekends where suitable care is limited or not available in the area in which they reside and whose partner is not available to provide care for the child;
- Lack of suitable child care options, demographics, the daily commute and travelling times would be a key consideration in the allocation of these pilot places;
- Payment of the child care rebate (CCR) of \$7,500 per child and the removal of the income test allowing all eligible parents in the pilot to claim the Child Care Benefit (CCB);

- Educators role/responsibilities will be clearly defined and will be limited to be solely the care of the children and outlined i.e. support learning by providing activities to engage children, sleeping, nutrition, hygiene and safety;
- The Government would seek applications only from existing approved providers of In-Home Childcare services for the pilot plan;
- The successful applicants/providers would then market these additional positions based on eligibility criteria and existing government guidelines for the IHC program;
- Educators will be over 18 years of age and hold a Certificate III or Diploma or working actively towards one;
- All educators and the families they care for will be monitored and supported by the relevant In Home Care provider and a 24/7 assistance line for counsel, aid and professional support.

Unlike, the Productivity Commission, NICA doesn't have the financial resources or capacity to conduct a cost benefit analysis of this plan but we believe the relaxing of the means test on the CCB is a just recognition for contribution of these emergency services workers to our essential services.

However, anecdotal evidence reveals that many such families have trouble meeting the cost of child care i.e.:

For a couple each earning \$70,000 per annum with two children in child care:

- The female would take home only \$284 per week which equates to 37% of her gross income, from the first three days of work
- In the fourth and fifth days, take-home pay after factoring the cost of child care, the child care rebate, tax and family benefits, would be \$57 which equates to only 10% of gross income¹⁵.

There are of course other ways of limiting the gap to payment to families that includes increasing the CCR for eligible families, allowing the gap payment to be tax deductible and changes to FBT that need to be considered.

For working mothers, there is no more quintessential example of an expense incurred in order to earn income than costs associated with childcare.¹⁶

NICA research strongly suggests that many shift working parents will not require 38 hours of care a week, but instead may use a suite of measures such as a mix of long day care and Family Day Care.

¹⁵ The Role of Unlocked Australian Productivity Potential July 2013 EY Building a Better Working World p10

¹⁶ Marie O'Brien, Partner Becker & McKenzie, Australian Financial Review, July 2013

STREAM 3 - NANNY SERVICE WITH REGISTERED/VETTED EDUCATORS WHO CONFORM TO IHC STANDARDS AND THE NQF

The Australian Nanny Association (ANA) estimates there are around 30,000 nannies working in Australian homes¹⁷, these workers are largely unregistered and unvetted by the appropriate government agencies, and are working within the cash economy. These are places that need to be officially unlocked and professionally registered and supervised.

Mainstream childcare is increasingly unable to respond to the real demands of modern families for more flexible delivery during an increasing range of additional hours that are being required in today's workforce environment.

The latest snapshot of data released by the ABS relating to the 2011 Census reveals that 52% of mothers are returning to work in the first twelve months of their babies lives. This is much sooner than in the past and just confirms that additional flexibility in the Childcare sector is not just important for the welfare of Australian parents and their children but is also an essential productivity measure for the country.

However, many mothers are saying no to full-time work and are even refusing to return to workforce at all – because of the high cost and difficulty of finding suitable childcare¹⁸.

Many families are finding the cost of getting back in the workforce, especially with more than one child is just not affordable. The average cost of long day-care in NSW is around \$81.50 a day and can be as high as \$102.16 in Sydney's northern beaches and \$111.20 a day in Sydney's Eastern Suburbs¹⁹. A basic calculation at the lower average for two children would be \$163 a day, \$815 a week.

There is no one solution, but rather we need the flexibility to accommodate different working conditions such as parents who do shift work and those who are required to do extended hours. Parental piece of mind is linked to productivity in the workplace and this is linked to higher and flexible care for their children.

What could be more important than giving mothers the flexibility of returning to work in the confidence of knowing their babies and very young children are being well cared for

¹⁷ Nicole Brady and Deborah Gough, Sydney Morning Herald 5 August 2012

¹⁸ Childcare costs keep NSW Mums out of the Workforce, The Telegraph July 2 2013 by Jessica Marszalek and Jackson Gothe-Snape

¹⁹ Childcare costs keep NSW Mums out of the Workforce, The Telegraph July 2 2013 by Jessica Marszalek and Jackson Gothe-Snape

whether it be in the family home under an uncapped and extended IHC program, in FDC or in an Early Childhood Learning Centre.

The recent conversation on early childhood education and care has brought about the commonality of support of many otherwise opposed parties with a fierce agreement that a solution is needed now as families are struggling under the burden of a system of patchwork regulation and unregulated child care because of the lack of places in certain areas and lack of flexibility across the board.

A survey of parents released by Essential Vision²⁰ has found more people support a subsidy for registered nannies than opposed, it showed that 44 per cent supported the government paying a childcare rebate for nannies while 33 per cent opposed.

These findings not only served to open up the debate regarding childcare issues per say, they also encouraged comments across the board from such people as economist Saul Eslake who has said “childcare ought to be seen as legitimate cost of employment. If you can’t get childcare, you can’t go to work. It is no less a legitimate tax deduction than a carpenters tools of trade or dry-cleaning a uniform”.

The Government appointed Sex Discrimination Commissioner Elizabeth Broderick said the nanny debate doesn't run across a rich-poor divide. "For many women having a nanny, especially if they have two or three children, is a reasonably cost-effective solution. It also helps those women who are working unusual hours. It can be a better option than long daycare"²¹.

Canada has a similar demographic, institutional and ethnic/cultural profile to Australia and we could take their female labour force participations rates as a ‘target’ for Australia. If current full-time and part-trends continue, and if women working full time produce 0.8 of whole economy GDP per hour, and part-time female workers produce 0.75 of whole GDP economy per hour GDP would increase by about \$25 billion in 2022.²²

All the research shows that the two main factors influencing female workforce participation are marginal tax rates and the net costs of childcare. Canada’s female workforce participation “increased” substantially above trend levels when (in 1997) marginal taxes and the net cost of childcare were reduced.²³

However, the shortage of places in Australia and lack of flexibility is forcing many parents to seek unregistered and unlicensed child care workers either online or through classifieds in

²⁰ Essential Report 10 April 2012

²¹ The Australian, 27 March 2012, Patricia Karvelas and Sophie Gosper

²² Game Changes, Grattan Institute Economic Reform Priorities for Australia, Grattan Institute, John Daley June 2012

²³ Abbott’s Baby Bonus in Disguise, Anne Summers, 18 March 2013, Sydney Morning Herald

the media. These are largely nannies that don't have any qualifications as educators and without any vetting in terms of police checks and first aid qualifications.

To address this issue, in 2012 NICA gave a plan to both the government and the opposition for an additional 25,000 flexible IHC places. These places are achievable by rolling into the system educators who are working as nannies but are currently unregistered.

Under an uncapped/extended IHC program the educators will be qualified and registered, giving parents a sense of security that the people looking after their children have satisfied strict regulatory and education requirements.

NICA will work with the Australian Nanny Association (ANA), Family Day Care (FDC) and with all levels of governments to set-up a system of vetting and registration of educators to ensure all child care educators deliver high standards of care for the children they care for.

In-Home Care and Family Day Care is at the leading edge of a solution for parents who require greater flexibility in their care arrangements because of their working hours, and for those who live in city areas where childcare places are presently at a premium and providers have long waiting lists.

The Australian Childcare Alliance President Gwyn Bridge has said high costs were keeping more mothers working part-time, rather than going into full-time work and was definitely affecting workforce participation²⁴

NICA also agrees with Gwyn Bridge who has said that building more centres will not solve the problem as the greatest demand is for children up two years of age, and IHC and Family Day Care can provide the solution that parents are calling out for²⁵.

The turnkey solution is for NICA as the recognised peak body for the IHC sector, the ANA and FDC to work together to deliver the outcomes that families are calling out for.

IHC is well established, is working is working extremely well and can be further rolled out to accommodate additional children. The infrastructure and skills are already in place. It is well tested over more than the 14 years and has passed the test with high marks.

While such a change will require the Government to pass legislation that will allow approved families who use registered and approved IHC educators the ability to claim the CCR only,

²⁴ Childcare costs keep NSW Mums out of the Workforce, by Jessica Marszalek and Jackson Gothe-Snape, The Telegraph, 21 July 2013.

²⁵ Childcare funds sought, by Don Harrison Sydney Morning Herald, 22 October 2012.

we believe this amendment will be minimal, and will be widely supported across the political divide.

While some childcare providers are suggesting that the CCR and CCB payments to families could be combined into one payment. NICA believes this approach would limit Government's capacity for choice and remove the flexibility to provide fee relief for families.

The Commonwealth will need to enlist the support of State Government's/Territories through the COAG process to set-up a system of vetting and registration of educators in association with established IHC providers and Family Day Care (FDC) providers.

NICA also believes that all IHC educators/nannies will need to meet NQF standards such as half our educators will need to have or to be actively be working towards a diploma-level early childhood education and care qualification or above; and or be actively working towards a Certificate III level early childhood.

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We can ensure the quality of service delivery and high standards of care by enabling existing IHC and FDC providers to regulate/vet these educators to the National Standard for In-Home Care levels. (E.g. first aid qualifications, experience etc.)

Following the vetting of the educator, the successful applicant would submit the vetting form to the State Regulator and receive a provider number that would then be used by the family to claim CCR.

The same IHC, FDC or ANA service could then be responsible for processing basic attendance data, family details and educator provider number to the National Online Child Care Management System (CCMS) resulting in a payment to the family by CCMS being the eligible portion of the CCR.

The established CCMS is a national child care computer system that provides details of Child Care Benefit (CCB) and child care supply and usage to families, services and government and has the capability of monitoring this procedure.

Additionally, a national mechanism should be put in place to allow for the family to progress their children into the mainstream child care service when parental circumstances allow.

We also believe we should extend the range of organisations who can vet to include established IHC, FDC providers and Nanny Agencies. (*The existing network of FDC and IHC are geographically spread to easily be able to cover all areas of the country requiring this flexible care model*). IHC and FDC already possess the systems, and processes for vetting carers.

Such approval for all organisations to be provided by (a) a variation to existing funding agreement, and (b) for organisations who do not have funding agreement in place then a new application and signed agreement with DEEWR to deliver the program of vetting in the approved manner.

Services would be required to supply families with copies of the relevant legislation to assist them in the fair and equitable practices of employing an educator in the home. This would include copies of the Modern Child Care Award 2010, ATO details, Superannuation etc. This would ensure the protection of the rights of the educator and promote compliance with the responsibilities of the family as the employer.

CONCLUSION

NICA has made enormous strides in establishing its credentials as a provider of quality ECEC and as the peak body for the IHC sector has the expert knowledge, the skills and experience to lead the way in both extending the IHC program and regulating the nanny industry.

Introducing additional flexibility in ECEC is not just important for the welfare of Australian parents and their children but is also an essential productivity measure for our country.

There is no one solution, but rather we need the flexibility to accommodate different working conditions such as for parents who do shift work, like emergency service workers and others who are required to do extended hours. Parental piece of mind is linked to productivity in the workplace and this is linked to higher and flexible care for their children.

IHC is at the leading edge of a solution for parents who require greater flexibility in their care arrangements because of their working hours, and for those who live in city areas where childcare places are limited and have long waiting lists.

NICA as the peak body for IHC has much to offer in terms of an uncapped and extended IHC program. For more than 14 years, and we are delivered a safe, nurturing and flexible environment for the thousands of children we care for every day.

We greatly appreciate the opportunity of presenting this submission, and NICA President, Mr David Wilson; would be delighted to appear before the Commission through the Inquiry process.