

Family Day Care Australia Submission

Commonwealth Senate Inquiry into the Provision of Child Care



29 January 2009

Our interest

Family Day Care Australia is the national peak body for family day care, representing the interests of approximately 102,982 children and their families, approximately 2,000 support staff working from 307 locally based schemes, and 11,926 trained, monitored and resourced family day care workers providing home-based child care Australia wide (2006 Census of Child Care Services and CCMS June Quarter cited in RIS:5).

Most family day care carers operate as self-employed, small home-based businesses registered with a local family day care scheme. Such schemes are staffed by early childhood professionals and operated by local providers, broken down as follows: 50% operated by community groups, 39% by local government under funding agreements with the Australian Government, with the addition of 11% of schemes operated privately. A small number of carers in the ACT and Victoria operate under an Award in an employee model.

Family day care offers care for children aged from birth to 14 years, with 81% of care provided for children five years and under. Family day care has been a significant provider of child care for babies and families wanting to keep siblings together in a multi-age group home environment. Key attributes include flexibility of hours, weekend and overnight care and a safe, secure home environment with one consistent child care worker.

Family day care has been operating in Australia for over 30 years. As an approved child care service, eligible families are entitled to Child Care Benefit and the Child Care Tax Rebate. Further, the Australian Government provides start-up grants to individual carers of \$1,500 and \$5,000 towards the establishment of new family day care services.

It is the view of the Family Day Care Australia membership that the family day care model is ideally placed to drive recovery of the child care industry in the wake of the ABC Learning collapse; assist with the retention of experienced child care workers; and ensure that families continue to have places for their children post 31 March 2009 when government assistance will cease.

Terms of reference

1. *The financial, social and industry impact of the ABC Learning collapse on the provision of child care in Australia*

In the quarter following the collapse of ABC Learning Family Day Care Australia has noted a 20% increase in the number of enquiries received on its national family day care hotline.

To effectively service these potential additional families and carers, Family Day Care Australia considers that an increase to Network Funding of 10% per annum for the next three years, together with a weighting formula applied to the equivalent full time (EFT) places delivered by new family day care carers in their first six months of operation, would enable family day care to recruit and retain a better qualified workforce and appropriately resource them. The level of network funding for Family Day Care in FY 08/09 is \$58.5 million dollars.

2. Alternative options and models for the provision of child care

Since the collapse of ABC Learning, Family Day Care Australia believes the capacity of the family day care sector to respond has been largely overlooked by government.

However it is the view of Family Day Care Australia that family day care has the capacity and flexibility to respond to such crises if properly supported through additional funding. Depending on various state regulations, it is a relatively quick process to establish new individual family day care services; compared to the infrastructure required for the establishment of other service types; such action would potentially retain child care workers from ABC Learning (and CFK) within the child care sector, and ensure that families can access high quality, accredited and regulated child care places for their children post 31 March 2009.

The government's policy tools that assist family day care to meet market demand are Network Funding based on an occupied places formula, and carer start-up grants of \$1,500 (standard) or \$5,000 (rural/remote carers). Family Day Care Australia strongly supports the continuation of the carer start-up grants.

- The changes to Network Support Funding in 2006 resulted in schemes losing around 25% of their funding. The funding changes caused many schemes to reduce their number of staff positions or to cut staff hours so that they were operating in line with the revised funding level. The reduced staff levels have impacted on the amount of support that staff are able to provide to existing carers, such as with reduced training opportunities, reduced frequency of support visits, reduced resource provision (some schemes have closed toy and resource libraries) and less relief care available to families and carers.
- This reduction has meant less staff available to market and promote family day care and has impacted on schemes' ability to recruit, provide orientation, training and support to new carers. Fewer staff has been a barrier to growth and as such the sector's ability to respond to demand and has limited the establishment of new family day care businesses meaning fewer family day care places and less choice for families. The impact of the global financial crisis has also impacted on families across the sector, making it difficult for carers to increase fees to cover the shortfalls in funding.
 - Family Day Care Australia urges that a 10% per annum increase over three years in Network Funding would assist services to provide high quality support to carers; and
 - Further weighting of Network Support Funding, not only in times of crises such as the collapse of ABC Learning, but in the first six months of carer commencement, would enable schemes to access funds, and therefore staff hours, to dedicate towards getting new carers quickly established and families settled.

From a high of 27% market share in the 1990s, family day care now holds around 11% of the child care market (2006 Census of Child Care Services). This situation occurred largely as a result of a cap on the number of places allocated to family day care each year, while the centre-based sector operated under no such restriction. At the same time that the cap was removed (in the 2006 Federal Budget), the government also changed the Network Funding formula which impacted on the capacity of family day care services to grow. As a result the choice of child care service types for families has been limited with a proliferation of child care centres now consuming the market to the detriment of other formal service types including family day care.

Family Day Care Australia considers that an increase to Network Support Funding of 10% per annum over three years as recommended, together with a weighting formula applied to the equivalent full time (EFT) places delivered by new family day care carers in their first

six months of operation would enable family day care to provide intensive support where required and assist in lifting overall levels of quality.

The recruitment and training of carers before they start providing care is an intensive process, currently done without any funding provided to schemes. In order to adequately resource coordination units to work closely with prospective carers and provide high quality, intensive training and education prior to the commencement of care, Family Day Care Australia recommends that funding be allocated to support this very important component of workforce development. Family Day Care Australia would be very happy to work with Government to develop an appropriate weighting formula and to have this extended to the recruitment and training period.

- No other child care service offers the flexibility of out of core hours care, including overnight, weekends and during vacation periods, to children aged from birth to 14 years of age.
- No other child care service supports siblings being cared for together with one consistent carer in a familiar, authentic environment that supports child-centred learning and strong emotional attachments so vital for early brain development.
- No other child care service offers such high adult to child ratios (no more than four or five pre-school children and no more than seven at any one time including school-aged children (depending on the state or territory regulations); further, the majority of family day care services operate with a guideline of no more than two children under the age of 18 months).
- No other child care service enables parents to choose the child care worker that best suits their family's needs.
- Often family day care is the only formal service type with the capacity to deliver high quality child care to families living in rural, remote and very remote Australia.
- The flexible nature of family day care enables the establishment and maintenance of community linkages for families and children, such as pre-school, extra-curricular activities and health services, which might not otherwise be accessible. Family Day Care can enhance social inclusion for the most vulnerable families. Schemes are often managed alongside other family support services or are co-located and provide cross referral for families that require additional support. Family Day Care is in a unique position to help build social capital through the strong and effective linkages between carers, families and other service providers at the local level. Carers can also provide unique services such as 24 hour care for families in crisis. Family Day Care's child focused model assists in developing resilience at both the individual and community levels.
- Quality is assured through regular monitoring and supported training by coordination unit staff

The growth of child care centres in Australia, whether corporate, private or not-for-profit, was allowed to flourish to the detriment of family day care and parental choice; a situation that calls for immediate rectification.

3. The role of governments at all levels in:

a. Funding for community, not-for-profit and independent service providers

Family Day Care Australia considers that there is a place for government to fund early childhood education and care services, and no place for such care and education to be the 'product' of corporate, shareholder-owned entities such as ABC Learning.

Children's services should be adequately funded and resourced by government to enable parental choice within a range of settings and service types that meet the needs of individual children and families. Adequate funding for children's services is an investment in the future of Australia.

The rampant growth and subsequent collapse of the corporate sector serves as a critical watershed moment in Australian child care history and is a clear indication to government to establish public policy that enables a range of child care service types to co-exist. There is much to be gained from strong partnerships between service types that have a focus, not on the bottom line, but on what is best for children.

Family Day Care Australia operates a searchable website and national hotline which are both advertised in various media, including television, to attract potential families and carers. Calls for a typical month average around 400 and are fairly evenly split between families wanting care and potential carers, demonstrating continuous demand. In the wake of the ABC Learning collapse Family Day Care Australia experienced a surge in inquiries from both prospective families and child care workers to over 500 per month from 1 November – 31 January. An increase in Network Funding and weighted EFT funding for new carers as noted previously, will enable family day care to quickly and efficiently meet obvious market demand.

b. Consistent regulatory frameworks for children across the country

Family Day Care Australia's submission to the COAG Productivity Agenda Working Group – Education, Skills, Training and Early Childhood Development, called for nationally consistent regulatory standards that are responsive to the home-based provision of care and education services.

Family Day Care Australia recommends an integrated national framework that encompasses the early years learning framework, quality assurance, regulations and workforce professionalisation. This would include the introduction of a single national start date for children entering four year old programs and consistent national language to describe programs and grades to ensure parents and professionals have shared understanding.

Family Day Care Australia supports the maintenance of national standards ratios of 1:4 moving to 1:5 when this ratio is linked to a Certificate III qualification and/or one of the five children attends an external preschool program. This will ensure that all children in the smaller group size within a family day care setting have the opportunity for social interaction with children of similar age or stages of development.

Family Day Care Australia, through extensive sector consultation, supports a ratio of 1:3 for children under the age of two years where there are no other children also in care, on the proviso that a loaded rate of Child Care Benefit applies to support service viability and parental access to a place for their baby in a nurturing home-based environment with one primary carer. Where there are other children in care, a ratio of 1:2 for children under the age of 18 months is supported.

Across all jurisdictions a carer's own child is registered with the family day care scheme and therefore counted in the calculation of ratios; however this arrangement is not recognised for Child Care Benefit purposes. Further, a carer's child with a disability is also counted in the calculation of ratios but is not eligible for Inclusion Support Subsidy (ISS). Family Day Care Australia recommends that all parents and children using formal child care services such as family day care have equitable entitlements.

c. Licensing requirements to operate child care centres

Licensing of all children's services across the country is imperative to ensure a national baseline of operation; however the current duplication of compliance between state and federal governments and agencies must be streamlined in any move to a national regulatory framework.

The ABC Learning collapse has highlighted the benefits to the public of a more balanced early childhood education and child care sector. By providing more than the current 11% of home-based services, the capacity of family day care to respond to such critical events would be greatly improved. To this end Family Day Care Australia recommends:

- Metropolitan and rural areas have equitable access to high quality child care.

d. Nationally consistent training and qualification requirements for child care workers

Family Day Care Australia advocates that every child care worker who regularly interacts with children should hold a minimum Certificate III in Children's Services.

As the national peak body, Family Day Care Australia has taken a leadership position to support the professionalisation of the family day care workforce so that by 2011 every family day care carer, including existing workers, holds Certificate III within six months of commencement. Family Day Care Australia also recognises and welcomes the expansion of the Productivity Program Places for existing workers in the child care sector to cover Certificate III courses.

Family Day Care Australia recommends:

- All carers who are eligible for the \$1,500 or \$5,000 start-up grant also receive a \$500 training voucher to be used at any RTO for Certificate III training to commence at any time within their first six months of operation; and
- All existing carers within the family day care sector also be entitled to a \$500 training voucher to be used at any RTO for Certificate III training to commence within six months of receipt of the funding.

Further, Family Day Care Australia recommends that the skills of coordination unit staff would include training and assessment (TAA), ECEC degree and diploma qualified staff to ensure the continuous professionalisation and successful implementation of the early years learning framework across the family day care sector and so support universal preschool access to four year olds.

To this end, ongoing engagement with the training sector is required to achieve nationally consistent qualifications and standards across the country. Qualifications need to reflect contemporary practice and not be limited to TAFE or corporate training providers. Existing child care workers must have access to fee-free training to ensure the professionalisation of the workforce by the government's target of 2013.

Consideration of how child care workers from non-English speaking backgrounds, Aboriginal and Torres Strait Islanders, mature workers and workers in remote and very remote areas can be supported to access appropriate training is critical to the overall workforce professionalisation strategy. This includes facilitating a "user-friendly" RPL process.

To support ongoing professionalisation, Family Day Care Australia recommends that the Certificate III be combined with the Diploma as follows:

- The Certificate III has 11 compulsory units and 4 electives, and the Diploma has 20 units. By joining the two qualifications, the 4 electives can be done as part of both

qualifications. In this way, the government could professionalise child care workers more quickly and cost effectively, as well as give existing workers greater confidence in their capacity as students.

e. The collection, evaluation and publishing of reliable, up to date data on casual and permanent child care vacancies

Family Day Care Australia understands that the government's 'mychild.gov.au' website will move from voluntary to mandatory vacancy data collection in the near future, and the Child Care Management System also collects this information through regular reporting by services. Private sites such as 'Care for Kids' also provide an avenue for families to obtain child care vacancy information.

Family Day Care Australia was not provided with an opportunity to consult on the survey instrument for the mychild.gov.au site which resulted in a survey that was slanted toward the collection of centre-based service information. The result was that many family day care services could not effectively contribute to the provision of information which would have enabled more accurate comparison between and within services types. Family Day Care Australia understands that the newly introduced CCMS systems is addressing many of the issues regarding access to data and moving forward, Family Day Care Australia would invite the Government to consider the inclusion of Family Day Care Australia in the development of future relevant survey instruments.

It is critically important to make available current information about the child care sector to the child care sector itself. Currently the sector relies on a combination of internal data, mini surveys and the Census of Child Care Services. While the Census is undertaken every two years, the data is not released for anywhere up to a further two years. Releasing and relying on out of date information defeats the purpose of collecting it. At the very least, CCMS data relating to numbers and ages of children in care, numbers of staff and carers and vacancy information should be made available to peak bodies.

An example of this data collection and distribution failure can be seen in the implementation of the Inclusion Support Subsidy in 2006. Without accurate data the family day care sector is limited in its capacity to track inclusion support to ascertain where it is working and where it is not. Family Day Care Australia has worked closely with KU, the new administrators of this program, to overcome some of these barriers and has made good progress in addressing these issues.

4. The feasibility for establishing a national industry authority to oversee the child care industry in Australia

Included in the framework referred to in point 3 b above, is the recommendation of a national child care worker registration board which would underpin the workforce professionalisation strategy, contribute to recognition and retention of child care workers, and ensure the maintenance of appropriate registration status, eg police/working with children checks and first aid. It could also assess and register overseas qualifications and ensure currency of insurance.

Of utmost importance in the model is the creation of an ombudsman role to efficiently and effectively deal with registration breaches and appeals, and ensure an up to date register of fit and proper persons.

Such a national authority would improve the status and standing of child care workers, ensure greater mobility between service types and contribute to retention of early childhood workers in general.

5. Other related matters

Most family day care carers work in a deregulated environment in which independent fee setting is normal practice. As such, they are able to set their own fees commensurate with the local market and work hours that suit their particular circumstances and those of the families in their care.

On the other hand coordination unit staff are paid under various NAPSAs (awards) that do not accurately reflect the level of responsibility relating to the position. For example, staff working in local government attract a higher level of remuneration than those working under the Family Day Care Award. This is an impediment to further professionalisation of the workforce as qualified staff will not find the sector competitive with other child care providers. One coordinator stated:

"I have worked in child care for the past 16 years. I have multiple qualifications and have attended myriad training, networking and continuous improvement opportunities. I manage a scheme of 54 carers, six staff and over 600 enrolled children, and attract an hourly wage of just \$24 per hour. I feel really disheartened that despite being passionate about quality child care and spending many hours training and supporting carers and families, I am still paid less than many occupations with much less responsibility."

An urgent review of coordination unit staff wages is recommended to ensure that the industry is attractive to highly skilled and qualified people passionate about working with children, and the right people are retained to ensure the best outcomes for children.

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