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Senate Inquiry on the Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2015

Submission by NSW Family Day Care Association

The New South Wales Family Day Care Association would like to acknowledge the work done by the Australian Government on reviewing the Family Assistance Legislation and take this opportunity to make some comments for consideration with regard to the Senate Inquiry on the Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2015.

While we acknowledge the Government's intent to streamline and simplify a complex system of payments for families and providers into one Child Care Subsidy payment in an attempt to ensure payments are directed to those most in need, the New South Wales Family Day Care Association believe a number of points require further consideration.

Tiered Payment by Service Type

Family Day Care still provides a degree of flexibility to families outside of traditional core hours that are generally not available in other service type models. Under the tired payment system of service type proposed by Government there appears to be no financial acknowledgement of this flexibility and could actually be a disincentive to those who currently provide this additional care. In turn this could lead to current families having their access to the flexible care arrangement diminished thus adding to the additional burden for families seeking suitable care for their individual needs.

The proposed capping rate as identified for Family Day Care is \$10.70 and the maximum applicable subsidy would appear to be 85% of this which would be \$9.10. In some instances fees per hour are still under this rate and the possibility of Educators increasing up to the capped rate would again impact on families. In some of the larger metropolitan areas of NSW overheads and costs of living inhibit the establishment of a FDC educator's service and the proposed cap could also be seen as a disincentive. We believe it should be in line with centre based services given the level of adherence to the National Quality Framework.

From our reading there would appear to be no specific % for school age children and in fact seems to be 85% for all children. Further clarification of this to be sourced. There also does not appear to be a multiple child % for families whom have a number of children attending care either in the same service or other approved service type as is the case currently. We believe this again would have a financial impact on families.





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Activity Test Requirements

We believe the activity test may work well for the traditional working family who access a workplace with common work hours; however the ability to continue to inform the relevant agency re working hours over a fortnight could be seen as problematic. Variations to work hours can occur regularly making it difficult to ensure suitable approved child care arrangements are available.

Under the activity test requirement families with an income below \$65,000 who do not meet the activity test are limited to 24 hours of care a fortnight or 12 hours per week. The limitation of these hours would make it difficult for families to access more than 1 day of care per week in some services thus limiting a child's ability to attend an identified Early Childhood Education and Care Service for their development. In some cases this may be limiting the very children that critically need this care.

Additional Child Care Subsidy

We believe that the additional subsidy for families/children is workable and acknowledge the clarification of ACCS for grandparents and clear criteria.

Some concern over the monitoring of the transition to work payment and responsibilities of relevant agency to ensure services are informed of identified end dates.

Further clarity or guidelines around At Risk Certification if service provider believes child is at risk of serious abuse or neglect. To ensure adherence by all. The % allocated would seem at the higher end (no more than 50% of service usage) given the current percentage (18%)

In general terms given the information provided the Government has attempted to ensure that middle to low income earners are not disadvantaged by the new payment and would appear to in fact benefit from some of the recommendations

New South Wales Family Day Care Association would like to thank the Australian Government for the opportunity to respond to the Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2015.

