

“Standby for Child Care” System

A Child Care Access and Affordability Solution

Key Points:

Add 5-7% capacity into the network within existing funding parameters

\$600m p.a. **revenue** to Centres to fund staffing and development

\$300m p.a. **saving** to the Government

Standby System to Improve Access and Affordability of Childcare

This concept has been prompted by interviews and media releases this year on the subject of child care access and affordability.

Our company provides a Casual Staff management system called Cascom, which matches over 140,000 nurses, doctors and childcare workers to shift assignments to fill vacancies, sick leave etc. Most of our customers are public local hospital districts and not-for-profit child care networks across Australia.

After 10 years in the market place, we have identified an opportunity to quickly adapt our systems to enable child care vacancies caused by student absenteeism to be automatically offered at reduced, unsubsidised rates to parents on a "standby" program.

Based on the numbers presented in the report from the Productivity Commission titled 'Terms of Reference PC inquiry into child care' and the Tony Abbott joint press release dated 2012/11/19 attached, there are approximately 12.18 million absentee days across 14,500 childcare facilities per annum.

The broad effects of this Standby concept, if adopted Nationally and sponsored by the Federal Government, would be:

- Add another 5-7% capacity into the network **within existing funding parameters**
- Create **reduced cost/half-price** child care for parents without incurring Govt rebates
- Add **revenue** to Childcare Centres to fund **staffing/salary** costs

Attached is a concept paper that provides an overview

Yours faithfully

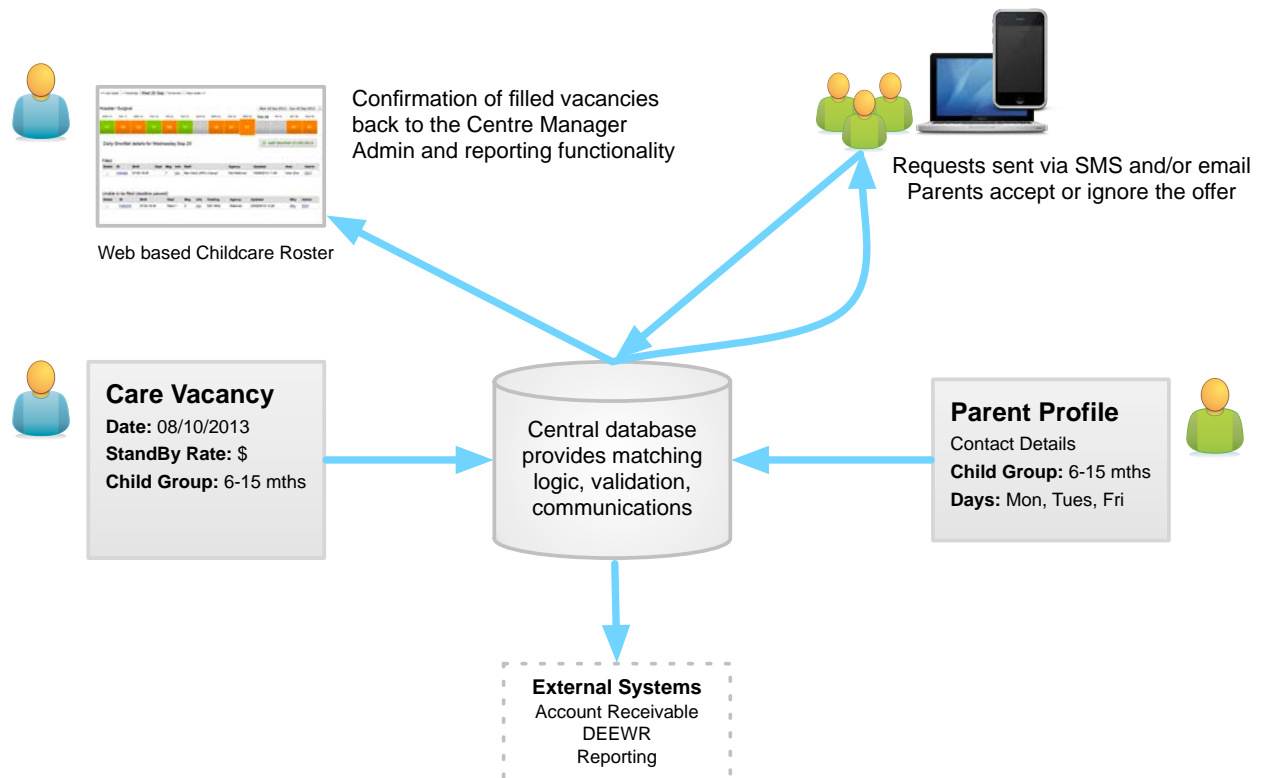
Ben Hartz
CEO, Gate121 Pty Ltd

StandBy Childcare Discussion Paper

Concept

- Web-based,(Cloud) DB at core
- Centres establish profile/preferences
- Managers post vacancies
- Biased matching to share out places
- Reply SMS sent to accept place
- Place confirmed to manager & parent, data feeds to accounts, DEEWR

StandBy - System Flow



Benefits

- 14,500 national centres x 60 children x 7% absentee rate x 200 days p.a. = 12.18m standby days
- @ \$50 per day = \$609m back to Centres to fund staffing
- @ 50% govt rebate = \$304.5m saved by the Govt (no rebate for standby days)
- Parents can register for additional standby days at their home centre
- Pricing can be set for each placement, each day or part-day
- Part-day placements enabled due to efficiently increase Child Care utilisation (hours)
- Good PR opportunity “DEEWR using technology to make childcare more available and affordable”

Next Steps

- Arrange meetings & demonstrations
- Investigate and scope the definitive Government solution for standby including integration to back office systems such as Attendance Roles, DEEWR reporting, revenue models for Government, mobile devices etc
- Develop fully costed proposal for consideration

19th November 2012

TONY ABBOTT JOINT PRESS RELEASE - TERMS OF REFERENCE FOR PROPOSED PRODUCTIVITY COMMISSION REVIEW INTO CHILD CARE

MEDIA RELEASE

The Coalition will help ensure that child care is more accessible, affordable flexible for Australian parents.

Today we have released the terms of reference for the Coalition's proposed Commission inquiry into child care which will identify how we can improve system to make it more responsive to the needs of parents.

More than 110,000 Australian parents say they cannot pursue the employment opportunities available because they cannot find suitable or affordable child Improving access to child care will provide parents with more choice, the workforce more workers and lift the productivity of the nation. The proposed Terms of include consideration of:

- the current hours parents work or study, or wish to study;
- the particular needs of rural, regional or remote parents, as well as shift workers;
- the out of pocket costs of child care to families;
- rebate and subsidies available for each type of rebate; and
- the needs of vulnerable or at risk children.

The Terms of Reference seek to identify the means by which child care in Australia further contribute to the needs of families and the nation. Options to be considered enhance the choices available to families, within the existing funding parameters, subsidies, rebates and tax deductions.

Almost one million Australian children are in child care, however many more excluded due to cost and limited choice. In particular, parents who work in remote areas and who undertake shift work find it difficult to find child care their circumstances.

The Coalition wants Australian families to have more choices when it comes decisions they make about the care of their children. Parents need more choices move in and out of different types of child care due to their changing personal, and working circumstances. We want a child care system that is more capable responding to the dynamic and individual needs of parents.

We will make child care more accessible and more affordable for Australian many families are excluded from child care because of where they live, what take and how much they earn. Each time this happens, our economy loses capabilities of a working adult who can make a contribution to building a stronger economy.

Under Labor, the Child Care Rebate has slashed from \$8,179 to \$7,500 and since Gillard became Prime Minister, the cost of child care has risen by more than The promised end of the 'double drop-off' never eventuated as Labor broke build 260 new child care centres.

While the Coalition has welcomed the positive elements of the National Quality

Framework, its mishandled delivery is symptomatic of a government that too rushes and mishandles the implementation of its policies. We are committed with the states and territories to find practical ways to improve the implementation National Quality Framework.

The Productivity Commission Review of Child Care is part of the Coalition's stronger economy. A more flexible and responsive child care system will lift participation and is part of the Coalition's plan to deliver a strong and prosperous economy and a safe and secure Australia.

[Click here to download and read the Terms of Reference for the Coalition's Productivity Commission inquiry into child care.](#)

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Terms of Reference Productivity Commission inquiry into child care

November 2012

Terms of Reference 12-11-19 Terms of Reference PC inquiry into child care

Background:

As at the September quarter 2011, 14,523 child care services were operating in Australia caring for 992,520 children. This means that around one in every four children between 0-12 years of age attends child care.

Given the strong reliance on child care in this country, it is critical that we have a system that works in the best interests of all concerned. It must provide a safe, nurturing environment for children but must also meet the needs of their families.

Many Australian families are struggling to access affordable child care. Child care prices have risen by more than 20 per cent since Julia Gillard became Prime Minister in mid-2010. This has a detrimental impact on parents returning to work. According to the ABS, more than 110,000 Australian parents say they cannot access employment as they cannot find suitable and/or affordable child care, despite funding assistance from the Federal Government.

Whilst State Governments have responsibility for the regulation and oversight of child care, the Commonwealth is the major player from a funding point of view. Commonwealth funding was first provided to help finance child care in 1972. Over time, the funding model has progressed considerably, and now parents have the option to have a Child Care Rebate of up to 50 per cent of the cost of child care (to a cap of \$7,500 per child per annum) paid either directly to their child care centre, or to themselves. In addition, there is a means tested Child Care Benefit for a large number of families. Yet many families say they find child care to be their second largest expense after their rent or mortgage payments.

In addition, the child care system in Australia is a model that predominantly supports a 9-5 economy. Yet Australia's economy today is increasingly a 24-7 one. Child care options need to support these changes in order to increase workforce participation and boost economic development.

Australian families need a system that is not only affordable, but ensures that people can work flexible hours whilst knowing that their children are receiving high quality child care.

Scope:

In undertaking this study, the Productivity Commission should use evidence from Australia and overseas to report on and make recommendations about the following:

1. The contribution that access to affordable, high quality child care can make to:

- increased participation in the workforce, particularly for women; and
- optimising children's learning and development.

2) The current and future need for child care in Australia, including consideration of the following:

- hours parents work or study, or wish to work or study;
- the particular needs of rural, regional and remote parents, as well as shift workers;
- accessibility of affordable care;
- types of child care available including but not limited to: long day care, family day care, in home care including nannies and au pairs, mobile care, occasional care, and outside school hours care;
- usual hours of operation of each type of care;
- the out of pocket cost of child care to families;
- rebates and subsidies available for each type of care;
- the capacity of the existing child care system to ensure children are transitioning from child care to school with a satisfactory level of school preparedness; and
- the needs of vulnerable or at risk children.

- 3) Whether there are any specific models of care that should be considered for trial or implementation in Australia, with consideration given to international models, such as the home based care model in New Zealand and models that specifically target vulnerable or at risk children.
- 4) Options, within the existing funding parameters, for enhancing the choices available to Australian families as to how they receive child care support, so that this can occur in the manner most suitable to their individual family circumstances. Mechanisms to be considered include subsidies, rebates and tax deductions, to improve the accessibility, flexibility and affordability of child care for families facing diverse individual circumstances.
- 5) The benefits and other impacts of regulatory changes in child care over the past decade.
- 6) Whether the implementation of the National Quality Framework in states and territories has achieved the intended quality regime announced by COAG on 2nd July 2009 and what other ramifications it has had, with specific consideration given to compliance costs.