

# About the NSW Family Day Care Association

The NSW Family Day Care Association (NSWFDCA) was established in 1976 to promote and support all aspects of Family Day Care in the community. We are the peak organisation for Family Day Care schemes in NSW. We are both an advocacy organisation and a training and support organisation for Family Day Care schemes. There is a national Family Day Care organisation, Family Day Care Australia, of which we are a member, but we are the primary organisation that speaks for Family Day Care schemes in NSW. As over a third of Family Day Care Schemes are in NSW and we represent almost all of them, we are the largest Family Day Care Association in Australia.

The NSW Family Day Care Association Inc. was established in 1976 with the aim of promoting and supporting all aspects of Family Day Care in the community.

This aim is achieved through the following objectives:

- To promote the well - being of children and to encourage discussion and exchange of ideas relating to children and their needs;
- To inform and support those involved in Family Day Care;
- To coordinate and act on problems specific to Family Day Care in NSW;
- To act as a body on research, education, publicity and submissions relating FDC;
- To disseminate information relating to Family Day Care;
- To act as an advisory body; and
- To liaise with Government and Non-Government organisations.

# **Productivity Commission's Draft Research Report on the Early Childhood Development Workforce - NSW Family Day Care Association Comments**

## **Summary**

NSW Family Day Care Association welcomes the draft findings 6.1 and 6.2. We believe however that:

- Draft Finding 6.1 underestimates the impact of the NQS/NQF changes impact on the supply of Family Day Care Carers in NSW;
- Draft Finding 6.2 underestimates the impact revenue loss will have on NSW Family Day Care Co-ordination Units;
- Both findings need to be converted to recommendations to ensure that both the NSW and Commonwealth Government act to maintain the Family Day Care Workforce in NSW.; and
- The Draft Report's assertion that demand for FDC Carers will not increase as a result of the NQS is incorrect and should be removed from the Commission's final report.

## **Draft Finding 6.1**

There are 105 Family Day Care Co-Ordination Units throughout metropolitan, rural and remote NSW contracting 4649 Family Day Care Carers in NSW – just over a third of the total number of Carers in Australia. NSW Family Day Care Schemes cater for over 33,600 children per week. In NSW this means over 10% of all children attending children's services in NSW are cared for by Family Day Care carers. 18% of the existing FDC workforce in NSW are over 55 years old and another 13.7% are over 55. 43.5% of the FDC workforce in NSW have worked in FDC for over 10 years. Over 40% of the FDC workforce are already dissatisfied

with their pay and conditions and over 32% nominate this as a reason that they may leave the sector in the next 12 months. 56% say their work is stressful.<sup>1</sup>

In the Draft Report, Recommendation 6.1, states that under the National Quality Standard, contact worker to child ratios for children under school age will increase in NSW (and other states) and that these changes are likely to lead to cost increases which may result in fewer children attending. We believe this is an understatement of the effect of these changes in NSW.

Currently, in NSW, under the NSW Children's Services Regulation, Family Day Carers are allowed to care for a maximum of five children not yet attending school. Under the National Quality Framework the maximum number of under school age children a carer can care will be restricted to 4 children.

As FDC workers' incomes are directly linked to the number of children in their care, this reduction in the number of children an individual FDC worker can care for will result in a reduction in their income. While the reduction in income may be at least partially offset by fee increases:

- NSWFDCA believes that in many cases FDC carers will choose to leave the sector. (Given the ageing of the carer workforce and the current dissatisfaction with remuneration and conditions);
- Even without resignation of carers, Family Day Care Co-ordination units across NSW will need to recruit anywhere between 250 to 1000 additional carers (exact number dependent on attendance patterns) to enable the sector to care for the same number of children in 2012 that they do in 2011. (With every carer needing to care for 1 less child, this reduces the care capacity of the sector by 20% unless additional carers are recruited.); and
- Unless these carers are recruited up to 20% less children will be able to be cared for by the FDC sector which will have an impact on other children's services types and their workforces.

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<sup>1</sup> All statistics in this paragraph extracted from the 2010 National Early Childhood Education and Care Workforce Census published by DEEWR.

**NSWFDCA requests that Draft Finding 6.1 be converted into a recommendation calling for action from the Commonwealth Government to ensure that the cost impacts of the change to numbers are ameliorated to ensure that NSW carers do not leave the sector at a time when more carers will be required.**

## **Draft Finding 6.2**

Draft Finding 6.2 underestimates the impact revenue loss will have on NSW Family Day Care Co-ordination Units. This recommendation states that the NQS may result in fewer children attending family day care, and hence lower revenue for family day care schemes but says that “In the case of the most marginal family day care schemes, coordination unit revenue could potentially decline below the minimum threshold required for ongoing operation of the scheme”.

Co-ordination Units receive funding from the Commonwealth Government to support the network of carers. This support is vital to ensure that all children are provided with quality care and to reduce the isolation of carers. Co-ordination Units support carers in their work. Every carer is visited regularly by trained child care advisors who ensure carers are aware of the latest child development practices.

As the Productivity Commission has identified, Co-ordination Units receive funding on the basis of the number of children their carers care for. Reduce the number of children carers can care for and the amount of money the co-ordination unit receives automatically decreases. IN NSW, because of the reduction in the number of children cared for could reach 20%, potentially Co-ordination Units could receive cuts of up to 20% in funding. With cuts of this magnitude, Coordination Units will be forced to reduce staffing levels. Lower Co-ordination Unit staffing levels mean that lower levels of support will be offered to carers, and less time will be able to be spent recruiting new carers at a time when both retention of existing carers and recruitment of new carers is essential to ensure the maintenance of the network to care for the existing number of children pre the NQS changes. The wide ranging changes to practices and policies that are required under the National Quality Framework will also be hard to implement with smaller Co-ordination Units in NSW.

**NSWFDCA requests that Draft Finding 6.2 be converted into a recommendation calling for action from the Commonwealth Government to ensure that Co-ordination Units Incomes are maintained at 2011 levels.**

### **Demand for FDC Carers will increase in NSW**

The Draft Report's assertion that demand for FDC Carers will not increase as a result of the NQS is incorrect and should be removed from the Commission's final report. The Commission's draft report states in its Chapter 6 key points (page 89) that "While demand for FDC workers is not expected to increase significantly as a result of the National Quality Standard (NQS), because current jurisdictional FDC regulations vary, the effect of the NQS will also vary."

Because of the considerable effect of the NQS on demand for FDC carers in NSW, as explained above, NSWFDCA requests that this assertion be removed and replaced with a finding about the numbers of additional carers required in NSW and a recommendation that because of the extreme impact of the NQS in NSW, that the Commonwealth and State Government should provide an additional 2-3 year phase in period before instituting the requirement that will reduce the maximum number of under school age children a carer in NSW can care from 5 children to 4 children.

Part 17—Transitional and Saving Provisions of the Draft Educational and Care Services National Regulations contains transitional provisions for Family Day Care Services in a number of other states. NSWFDCA believes that because of the impact on the numbers of carers which will be required in NSW, the Productivity Commission should argue for a transitional provision for NSW Family Day Care services to give an additional 2 years minimum before they are required to abide by the new ratios. NSWFDC Association has requested that Commonwealth funded specific research is carried out in regards to group size and child numbers in a mixed age group setting in a home environment.

**NSWFDCA requests that a recommendation be made calling for an increased transitional provision to allow NSW FDC schemes to have a longer period before they are required to reduce the number of before school age children Carers can care for from 5 to 4 in lieu of the current requirement that this occur in 2014. This will enable FDC specific research to be carried out to group size and child numbers.**

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