

Family Day Care Australia Submission to the Productivity Commission's Annual Review of Regulatory Burdens on Business

July 2009



INTRODUCTION

Family Day Care Australia welcomes the opportunity to provide feedback in response to the Productivity Commission's Annual Review of Regulatory Burdens on Business, and in particular Chapter 3: Child Care.

Family Day Care Australia is the national peak body for family day care, representing over 12,000 individual child care practitioner members and 307 coordination unit members. Family day care delivers 59,215 equivalent full-time child care places (35 hours per EFT) to approximately 103,000 children aged from birth to 13 years. Child care and education is provided by family day care carers from a home-based environment, and carers are supported, resourced and monitored by staff situated within a central coordination unit.

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. Family day care is subject to the provisions of Family Day Care Quality Assurance system administered by the National Childcare Accreditation Council, and each coordination unit or individual (depending on jurisdiction) is licensed by the state or territory government.

As the principal body representing a diverse membership, we offer a national perspective to current issues affecting family day care, including quality assurance/accreditation and the regulatory regime within states and territories, and nationally. Family Day Care Australia has consulted with our membership on the Annual Review of Regulatory Burdens on Business – Child Care through a survey tool and this submission represents the views expressed by the sector.

Family Day Care Australia is also in the process of reviewing the COAG Regulatory Impact Statement (RIS) for Early Childhood Education and Care Quality Reforms and we strongly support the goals outlined in the RIS. Family Day Care Australia believes it is important that the proposed National Quality Framework incorporates the recommendations contained in this review of regulatory burdens and the framework demonstrates best practice regulatory design principles.

FAMILY DAY CARE RESPONSE

Outlined below is the profile of responses from Family Day Care Australia members to the survey tool based on the proposed recommendations. A summary of comments is provided for each draft recommendation.

In addition to the recommendations provided by the Productivity Commission, Family Day Care Australia would like to provide input regarding the impact of the requirement for services to provide four weekly (rather than quarterly) Child Care Management System (CCMS) statements to families. This requirement has a significant impact on staff time and cost for services. In some instances the additional cost of sending out statements on a four weekly basis is equivalent to 4% of the service's operational subsidy budget. Given that quarterly statements are already required and parents receive a receipt detailing very similar information every time they pay the carer, this appears to be duplication and an inefficient use of scarce resources for coordination units. Family Day Care Australia strongly supports removing this requirement for services.

DRAFT RECOMMENDATIONS

- 3.1** *The Australian government should amend the Child Care Benefit (Eligibility of Child Care Services for Approval and Continued Approval) Determination 2000 so that it is clear that a service can have its Child Care Benefit approval removed if it is not accredited by the National Childcare Accreditation Council.*

| Response | Responses % |
|-------------------|-------------|
| Strongly agree | 33.3 |
| Agree | 50 |
| Neutral | 4.2 |
| Disagree | 4.2 |
| Strongly Disagree | 8.3 |

Summary Response:

While the vast majority of family day care respondents (83.3%) either agree or strongly agree with this draft recommendation, it is premised by the fact that the serious decision to remove Child Care Benefit (CCB) approval should only be taken after a fair and transparent process of appeal and review has been undertaken. If, after a given timeframe, a service does not satisfactorily rectify any issues that have been raised and all appeal processes have been completed resulting in non-accreditation, it should only be then that the CCB approval should be removed.

Given the seriousness of this sanction, Family Day Care Australia believes that the wording of the regulation needs to be tightened to ensure that any proposed conditions that would lead to the removal of CCB are clearly defined so that services are aware of the full consequences of non-compliance. It is important that while sanctions need to be credible and enforceable, families should not be required to wear the financial burden of removal of CCB from a service and that alternate care options are found for them prior to this sanction being applied.

- 3.2** *The Department of Education, Employment and Workplace Relations should improve both the quality of child care service information provided to parents, and the way it is delivered by:*
- Making it mandatory for the National Childcare Accreditation Council to publish on its website information on child care services' accreditation status (and the reasons for the 'not accredited' decision) and the Quality Profile Certificate (or quality rating) of specific child care services*

| Response | Responses % |
|-------------------|-------------|
| Strongly agree | 41.7 |
| Agree | 41.7 |
| Neutral | 4.2 |
| Disagree | 8.3 |
| Strongly Disagree | 4.2 |

- *Publishing on its website information on those child care services that are non-compliant with Child Care Quality Assurance, including the reasons for their non-compliance and the consequences/outcomes that have resulted from their non-compliance*

| Response | Responses % |
|-------------------|-------------|
| Strongly agree | 33.3 |
| Agree | 58.3 |
| Neutral | 0 |
| Disagree | 4.2 |
| Strongly Disagree | 4.2 |

- *Providing direct links to this information on the mychild.gov.au website*

| Response | Responses % |
|-------------------|-------------|
| Strongly agree | 29.2 |
| Agree | 50 |
| Neutral | 12.5 |
| Disagree | 4.2 |
| Strongly Disagree | 4.2 |

Summary Response:

The vast majority of family day care respondents agree or strongly agree with the proposed recommendations and see a need for parents to have access to clear and consistent information. This goal, however, should be underpinned not by a "name and shame" approach as a way to improve quality but by ensuring services have access to adequate support and training in order to provide high quality services. If the goal is to improve quality levels, then a focus on in-depth support for services is a better investment. Part of the information provided to parents should be informing them about what "quality" is and what it means for their child in a care setting.

We know from research (Brennan et al:2009:36) that without effective consumer education, parents find it difficult to distinguish between high and low quality care, and are often influenced by other factors such as cost. Simply providing a rating level on a website does not adequately inform parents of what role the quality assurance system plays, how it impacts on their child in care and how it may impact cost. A comprehensive consumer education program provided by the Government on the whole National Quality Agenda would provide a better understanding of the context to parents.

Family day care services also want to reiterate here that any decision to publish quality ratings should only be done after appropriate opportunities to address issues have occurred and any appeals processes have been completed. One suggestion is that until services have been given the opportunity to rectify any unsatisfactory areas, there should be another category of accreditation status such as "decision pending" for services participating in the Child Care Quality Assurance systems. Otherwise it can be very destructive when services are labelled as "not accredited" on the website and the accreditation process has not yet been finalised.

3.3 *The Australian government should remove the requirement, under section 21 of the Child Care Benefit (Eligibility of Child Care Services for Approval and Continued Approval) Determination 20001, for child care services to report anticipated vacancy information.*

| Response | Responses % |
|-------------------|-------------|
| Strongly agree | 62.5 |
| Agree | 16.7 |
| Neutral | 12.5 |
| Disagree | 8.3 |
| Strongly Disagree | 0 |

Summary Response:

Overwhelmingly, (79.2%), of respondents agree or strongly agree with this recommendation. This requirement is very problematic for the family day care sector as vacancies can be for a few hours in a day, not necessarily a whole day or consecutive day vacancies may not necessarily be with one carer. Therefore the information is not very useful for parents. Also given the high demand for family day care services, as soon as the data is submitted, it becomes out of date as the vacancies get filled immediately from waiting lists.

The administrative burden of collecting and reporting the data is time consuming and expensive for services, with no real benefit to families. Some carers have noted that no requests for care have come from this process. For parents wishing to access family day care services, contacting their local coordination unit is the best way to ascertain the most up to date vacancy information.

3.4 *The Department of Education, Employment and Workplace Relations should remove the requirement on the NCAC to conduct 'unannounced' validation visits of child care services, but continue with (unannounced) spot checks.*

| Response | Responses % |
|-------------------|-------------|
| Strongly agree | 50 |
| Agree | 33.3 |
| Neutral | 8.3 |
| Disagree | 4.2 |
| Strongly Disagree | 4.2 |

Summary Response:

The family day care respondents either Strongly Agree – 50% or Agree – 33.3% that the requirement for unannounced validation visits should be removed as they are seen to be inefficient and are not seen as contributing to a quality culture. This is because if the “unannounced” visit occurs when carers are on leave or off sick, or in small schemes, the only coordination unit staff may actually be out of the office visiting carers, then the visit is wasted. The nature of unannounced validation visits puts a lot of pressure on carers and coordination unit staff and as such is perceived as trying to “catch people out” or a punitive approach.

An approach that aims to work more closely with services *throughout* an accreditation cycle, not only on unannounced visits, would encourage a focus on ongoing review and action for

improvement. Additional assistance for services once they reach Step 2 of the NCAC accreditation cycle in undertaking their critical review process and developing a continuing improvement plan could help to embed quality at all levels. This is especially so for services that are not yet accredited or are regaining accreditation status. Unannounced spot checks could still be utilised to monitor the process and would be sufficient to ensure validators can observe genuine practice. Spot checks could also be used to help services identify where further work is required before future validation processes.

Family Day Care Australia would support a separation of the support and inspection roles by the NCAC.

3.5 *The NCAC should replace paper validation surveys given to parents with telephone surveys so that child care services are no longer required to act as a survey dispensing/collection service.*

| Response | Responses % |
|-------------------|-------------|
| Strongly agree | 70.8 |
| Agree | 20.8 |
| Neutral | 8.3 |
| Disagree | 0 |
| Strongly Disagree | 0 |

Summary Response:

There is resounding support (over 91%) for the recommendation to remove the requirement for services to dispense and collect paper validation surveys for parents. The format of the surveys is seen as not meaningful to parents or easily misinterpreted and the time and resources devoted to chasing up the surveys could be utilised more effectively in delivering services.

A more direct and personal approach with parents is seen as a positive move and likely to yield more meaningful responses. However, it is important to note here that, as stated in our response to Recommendation 3.2, a comprehensive consumer education program for parents outlining the goals and implementation of the National Quality Agenda should underpin these recommended changes.

3.6 *The Department of Education, Employment and Workplace Relations should complete the integration of the three existing Child Care Quality Assurance systems as soon as possible.*

| Response | Responses % |
|-------------------|-------------|
| Strongly agree | 41.7 |
| Agree | 37.5 |
| Neutral | 12.5 |
| Disagree | 4.2 |
| Strongly Disagree | 4.2 |

Summary Response:

While there is a definite preference from the family day care respondents (79.2% agree or strongly agree) to integrate existing quality assurance systems, there is a strong qualifier that the principles of family day care should not be compromised by a one size fits all approach.

Family Day Care Australia is encouraged by the work undertaken in this regard through the COAG reform process and looks forward to working with DEEWR in progressing the detail. Family Day Care Australia strongly supports attempts to lighten the regulatory burden for services, and so reducing the administrative costs associated with this process.

3.7 *The NCAC and state/territory regulators should coordinate their visits to child care services as far as possible, to reduce the risk of compliance activity spiking within a specific timeframe during the year.*

| Response | Responses % |
|-------------------|-------------|
| Strongly agree | 37.5 |
| Agree | 45.8 |
| Neutral | 12.5 |
| Disagree | 4.2 |
| Strongly Disagree | 0 |

Summary Response:

While a better coordinated approach would be appreciated, a single integrated system would alleviate concerns with this issue altogether. Uncoordinated visits have resulted in very negative outcomes for some services and, as noted under Recommendation 3.4, engagement with the accreditation process should be encouraged as a positive experience to assist services reach their optimum level of quality.

Until there is a single, integrated national system for regulation, a better coordinated approach that includes a forward timetable with clearly scheduled visits can alleviate some of the stress experienced by services.

CONCLUSION

Family Day Care Australia supports all moves to remove duplication in regulatory systems and enhance services efficiency and so their ability to continue to focus on delivering high quality education and care for children. Family Day Care Australia also supports the removal of the requirement for services to provide a four weekly CCMS statement to parents, as this is a high cost, inefficient process for services. Incorporating these proposed recommendations into the COAG National Quality Framework will be important first steps in streamlining national regulatory arrangements.

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References

Brennan D; Blaxland M; and Tannous K 2009. *A Strategic Assessment of the Children's Services Industry*: A paper prepared for the Children's Services Subcommittee of the Community and Disability Services Ministers' Advisory Council, Government of South Australia