



National In-Home  
Childcare Association

## Submission to the Productivity Commission Inquiry into CHILDARE AND EARLY CHILDHOOD LEARNING (2)

September, 2014

*“The early years have profound consequences for the rest of our children’s lives. Laying a solid foundation is vital – like building a house if the foundations are solid what follows after that tends to be solid as well. Getting it right is time critical”, Professor Frank Oberklaid*

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5 September 2014

Ms Wendy Craik AM  
Commissioner  
Productivity Commission Childcare and Early Childhood Learning  
Locked Bag 2, Collins St East  
**Melbourne VIC 8003**

Dear Ms Craik

The National In-Home Childcare Association (NICA) has great pleasure in submitting the NICA response to the Productivity Commission Draft Report into Childcare and Early Childhood Learning that was released by the Productivity Commission (PC) on the 22 July 2014.

NICA congratulates the PC on a consummate piece of work that we believe can provide a new framework for a once-in-a-generation opportunity for reform for the Childcare and Early Childhood Learning for our children in the years ahead.

NICA believes there is much within this report that will enhance and grow the Government funded In-Home Childcare (IHC) programme, while protecting the vulnerable and 'at risk' children through the repackaging of the Special Childcare Benefit (SCCB) into the Special Early Care and Learning subsidy (SELCS)

While currently not required to meet the NQF, IHC providers currently operate under National Standards put in place in 2008 that focus on quality of care and the safety of the educators, families and children. In addition, IHC Providers also have a number of obligations under family assistance law that they are required to meet in the provision of In-Home Care.

This year NICA is celebrating their 10 Year Anniversary of caring for more than 50,000 children and their families since our inception in 2000. Importantly, NICA is an established peak body who has a proven record and is well placed to play a leadership role in a new Australian Home Childcare sector.

We thank the Productivity Commission for the opportunity to comment on their draft report and would be happy to have further discussions relating to any of the issues outlined in our response below.

Yours sincerely,  
David Wilson

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## Appendix 1 Abbreviations

- **ANA** Australian Nanny Association
- **ADHC** Aging, Disability and Home Care Department
- **CCB** Childcare Benefit
- **CCR** Childcare Rebate
- **COAG** Council of Australian Governments
- **CCMS** Child Care Management System
- **CPR** Cardiac Pulmonary Resuscitation
- **DEEWR** Department of Education and Workplace Relations
- **DHS** Department of Human Resources
- **ECEC** Early Childhood Education and Care
- **ECLS** Early Care and Learning Subsidy
- **FDC** Family Day Care
- **FBT** Fringe Benefit Tax
- **HELO** New Zealand Home Education Learning Organisation
- **IHC** In-Home Childcare
- **LDC** Long Day Care
- **NCPA** National Child Protection
- **NGO** Non-Government Organisation
- **NICA** National In-Home Childcare Association
- **NQF** National Quality Framework
- **NQS** National Quality Standard
- **OOHC** Out of Home Care
- **PORSE** Play, Observe, Relate, Support, Extend
- **SCCB** Special Childcare Benefit
- **SELCS** Special Early Care and Learning Subsidy

## Appendix 2 - In-Home Care Operating Standards 2008

## Appendix 3 - Home Childcare Educator Share Pilot Plan

## **1.0 INTRODUCTION**

The Draft Productivity Commission (PC) Report into Child Care and Early Childhood Learning outlines a framework and opportunity for a once-in-a-generation reform and is advocating a new home childcare sector that will include approved IHC, FDC and approved nannies as outlined in draft recommendation 8.5, 8.6 and 12.4 of the draft report.

These are recommendations that have been represented by NICA in numerous submissions to both Labor and Coalition Government's and the PC recommending that the Government IHC funded programme be uncapped and extended.

NICA also notes the PC has recognised the value of the Government funded In-Home Childcare (IHC) programme and recommended it should be opened up to Australian families who will be eligible to receive ECEC assistance especially for shift workers as suggested by the NICA submission to the PC.

NICA believes these are recommendations that will provide families with real flexibility and this is a sentiment reflected in the many submissions to the PC and strongly lobbied for within the Government and the media. Over the last three years NICA has also highlighted these issues widely within the sector and have provided submissions to Government in response to calls by families, the business community and the unions for increased flexibility to uncapped and extend the government funded IHC programme.

Central to the NICA plan is the need for IHC educators and approved Nannies to meet the current quality standards that are in line with the National Quality Framework (NQF) as specified in the draft PC report recommendations.

NICA are also pleased to note the PC draft recommendations 12.6 and 12.7 for the establishment of a three capped programme for children with additional needs such Indigenous, vulnerable and 'at risk' children currently cared for under the SCCB through a new programme they have called SECLS. These recommendations closely reflect the recommendations in the NICA submission for separate stream to care for these most needy of children.

The Australian Senate has also been conducting an Inquiry into the Delivery of Quality and Affordable Early Education and Care earlier this year. When delivering his additional comments to the Senate Inquiry Report in July 2014, well-respected SA Senator Nick Xenophon endorsed many of the NICA recommendations submitted to the Senate Inquiry.

In his report, Senator Xenophon noted that families wishing to use more flexible childcare options such as IHC may be stopped from doing so for a number of reasons. "Firstly the cap on places limits supply, but where IHC educators are available families may be concerned about the lack of formal mechanisms in place to regulate the industry".

The Senator said "NICA had proposed working with the Australian Nanny Association, Family Day Care and governments to "set-up a system of vetting and registration of educators to ensure all child care educators deliver high standards of care, required educators to be act

The Senator concluded by saying "I support such a proposal as a sensible move towards providing more flexible care options for modern, working families while ensuring these educators are fit and proper people with appropriate qualifications". He also said that the Government should consider and provide a prompt response to NICA's proposal for greater IHC in Australia.

The Chamber of Commerce and Industry Chief Executive Deidre Willmott said that she would support changes that would “improve access, and affordability and choice”<sup>1</sup>

The care of our children is an issue that reaches out and touches so many of us, and in turn affects our productivity as it places limitations on families, usually mothers to fully commit to full time employment opportunities. We believe that such a Home Childcare system is the answer to the question being asked by so many families especially those who are doing shift work and those families who are providing our essential services.

Present child care policies do not go far enough to fully support the aspirations of modern working women, and what could be more important than giving mothers the flexibility to return to work in the confidence of knowing young children are being well cared for whether it be in the family home under Home Childcare, or in an Early Child Learning Centre.

Like the New Zealand Home Early Learning Organisation (HELO), NICA believes that Home based childcare produces a quality learning experiences and education from 0 to 5 years in family-focused home environments for parents who choose this form of care for their children.

This submission is in response to the PC Draft Report and aims to contribute to the development of a new framework that will be required for the Government to put in place a co-ordinated plan for new home based sector that will include the Government funded IHC programme, Family Day Care and approved nannies which could be called **Australian Home Childcare**.

## 2.0 OVERVIEW

### 2.1 In-Home Childcare (IHC) Programme

In-Home Care (IHC) was established in 2000 and is a capped, small, vital and integral part of child care services for families and a highly successful part of the early childhood mix. Presently, there are around 5011 places and the programme represents just half of one per cent of the Early Childhood budget of more than \$31 billion over the next four years. There has been no new allocation of IHC places in recent years apart from a reallocation of 790 unused places in 2012 by the Gillard Government.

IHC is currently classified as an ‘out of scope’ service and was expected to remain so until the review of the National Quality Framework (NQF) in 2016. However, NICA has been actively lobbying government for the early inclusion of IHC in the NQF, and acknowledges the support from the PC for this in their draft recommendations.

IHC is recognition that some families do not have access to other child care options for a range of reasons, including non-standard working hours, which affects workers in a range of industries like emergency services, health, tourism, performing arts, retail and manufacturing. Many families also live in remote locations with dispersed populations where there are no other forms of child care.

IHC was and remains the only truly flexible form of Childcare and Early Childhood Learning and in the words of the Productivity Commission Draft Report, “also in July 2000, new childcare initiatives were introduced with an emphasis on flexibility including the IHC initiative (for families unable to access mainstream services) and the provision of FDC and OSCH in areas of need<sup>2</sup>.”

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<sup>1</sup> Child Care, not leave: working Mums, by Rhianna King, The West Australian 6 August 2014

<sup>2</sup> Productivity Commission Draft Report into Childcare and Early Childhood Learning, July 2014 page 127

## 2.2 National In-Home Childcare Association (NICA)

The National In-Home Care Association (NICA) was established in 2004 and is the national peak body for the Commonwealth funded In-Home Care program and represents the in-home childcare community, carers, approved agencies, their staff and families ensuring the success and continual growth of in-home childcare.

NICA sets the industry benchmarks and maintains a voluntary code of ethics designed for the In-Home Care (IHC) sector that ensures the safety and welfare of the families and children we care for.

IHC was the first Child Care Service type to have a uniform nationally recognised set of Standards operated by the Department of Education, Employment and Workplace Relations (DEEWR) Funding Agreements in 2008.

These IHC Standards have proven themselves to be an effective starting point in ensuring the provision of child care that is safe, nurturing and educational for a child using IHC.

This year NICA is celebrating their 10 Year Anniversary of caring for more than 50,000 children and their families since their inception in 2000. NICA is an established peak body who has a proven record and is well placed to play a leadership role in a new Australian Home Childcare sector.

## 2.3 Australian Home Childcare

Presently, families who are using a nanny service are not entitled to receive any assistance from the government such as the child care rebate (CCR). Places in the government funded IHC Programme are strictly capped. As In-Home Care is the only form of “fully flexible” childcare where families are entitled to receive a Government rebate, we have found that there has been a larger than normal uptake of children who are eligible for childcare under the SCCB, especially for ‘children at risk’, who under the priorities of access guidelines are referred to IHC providers from Centrelink, Departments of Community Services and contracted NGO’s.

NICA strongly believes the time has come to address the inequity to these children and their families who opt to use a Nanny Service for a number of reasons like shift work, extended hours and work on weekends, and, especially those families who provide our essential services.

Extending the existing IHC program can be both cost effective and achievable and NICA believes there is enough current capacity within the system to provide up to 30,000 approved places. This capacity is made up of the already tried and tested network of established IHC providers, the support of FDC schemes and rolling into the system educators working as nannies but who are currently unregistered into a newly established programme for Home Childcare.

NICA is suggesting the Government should establish a Steering Committee made up of ACECQA, Department of Education, NICA, FDCA and ANA that will work together to put in place the regulations and requirements that will fast track the registration of qualified nannies under the government’s new official Home Childcare programme for registered Educators.

Under the NICA plan to extend Home Childcare, the educators will be qualified and registered, giving parents peace of mind and a sense of security that the people looking after their children have satisfied all these requirements and have the appropriate first aid and police checks, as well as being monitored on an ongoing basis by a professional support agency.



NICA and FDC as peak bodies for the existing Home Childcare programme have the expert knowledge the skills and experience to lead the way in both extending the IHC programme and regulating the nanny industry and at the same time will work with the ANA to put in place special Home Childcare training programmes for those nannies currently working in the system, but who have neither a Certificate III or Diploma qualification through Registered Training Organisations (RTO).

NICA also agrees with PC draft recommendation 7.10 that recommends that State and Territory governments should harmonise background checks for all ECEC staff and volunteers, and in the NICA submission to the PC recommended “The Commonwealth will need to enlist the support of State Government’s/Territories through the COAG process to set-up a system of vetting and registration of educators” in association with established IHC providers and Family Day Care (FDC) providers.<sup>3</sup>

The Australian Nanny Association (ANA) is saying they need and want to be regulated and NICA agrees they should be brought under the umbrella of Australian Home Childcare under some broad ranging and uniform regulations that are compliant within the NQF as recommended in the PC draft report.

In the words of the Hon Sussan Ley MP, Assistant Minister for Education, “We can't stick with the model that principally supports a 9.00am to 5.00pm workforce. We've got to find ways of providing care and early learning outside those hours. The shift workers or people who work weekends, the people where there's only - where there's no extended family support”<sup>4</sup>.

This is a plan that will provide the care families need in a 21<sup>st</sup> Century working environment. Clearly there is no one solution, but rather we need a need for a suite of complimentary measures that will accommodate different working conditions for families such as parents who do shift work, especially emergency service workers and those who are required to do extended working hours and Home Childcare is part of that solution, working alongside and our colleagues in the Long Day Sector (LDS) and Outside School Hours Care (OSHC).

### **Key points for the regulation of Australian Home Childcare**

- Put in place a steering committee made up of ACECQA, Department of Education, NICA, FDCA and the ANA to oversee the formation of the new Home Childcare sector
- Government to allow approved nannies to be eligible for families who can then receive ECLS and will include places for parents who are shift workers specifically emergency workers such as nurses, doctors, police, ambulance, paramedics and fire officers etc.
- Government may need to pass legislation that will allow approved families who use registered approved educators the ability to claim ECLS
- Government may need to engage the support of State Government’s and Territories through the COAG process to set-up a national system of vetting and registration of nannies currently working in the system but who are presently unregistered in association with established Australian Childcare providers IHC providers and Family Day Care (FDC) providers
- Ensure all IHC educators and Nannies meet the NQF i.e. half will need to have or to be actively be working towards a diploma-level early childhood education and care qualification

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<sup>3</sup> NICA submission to the Productivity Commission on Children and Early Childhood Learning, February 2013, page 19.

<sup>4</sup> The Hon Sussan Ley MP, Assistant Minister for Education, ABC Radio, 31 January 2014



or above; and or be actively working towards a Certificate III level early childhood education and care qualification or an equivalent

- Discussions should ensue with State Governments regarding the provision of funded training places for Home Childcare educator and nannies. Currently the training of IHC educators is restricted due to the supervisory requirements of State Training organisations that have a prerequisite for one-on-one supervision not possible under a home-based programme. The training of IHC workers in the Aged Care Sector could be a guide for such training proposal
- To ensure quality of service delivery and high standards of care by enabling existing IHC, FDC and ANA agencies to vet educators to the National Standard for In-Home Care levels (e.g. first aid qualifications, experience etc.) through the Department of Human Services using a Child Care provider application form
- Following the vetting of the educator, the successful applicant would submit the vetting form to the State Regulator and receive a provider number that would result in payment to either the provider or the family;
- Extend the range of organisations that can vet educators to include existing IHC providers, FDC & ANA providers' services. IHC and FDC both have an existing network that is geographically spread to cover all areas across the country and presently process CCR attendance and possess systems and processes for vetting educators and ensuring quality services are delivered.
- IHC, FDC & ANA service providers could be responsible for processing vetting, attendance data, family details and educator provider number to the National Online Child Care Management System (CCMS);
- Consideration should also be given to the provision of a service fee to the provider for the vetting of educators and the processing of the family for ECLS to support new applicants;
- Such approval for all organisations to be provided by (a) a variation to existing funding agreement, and (b) for organisations who do not have funding agreement in place then a new application and signed agreement with Department of Education to deliver the programme of vetting in the approved manner;
- Where required providers to supply families with copies of all the relevant legislation to assist them in the fair and equitable practices of employing an IHC Educator in the home. This would include copies of the Modern Child Care Award 2010, ATO details, Superannuation etc. This would ensure the protection of the rights of the educator and promote compliance with the responsibilities of the family as the employer.

## 3.0 NICA SUBMISSION FOR HOME CHILDCARE

The NICA Submission to the Productivity Commission in January 2014 recommended the Government funded IHC programme be uncapped and extended and suggested this could then be repackaged as three streams under the Home Based Childcare umbrella. NICA notes the PC included many aspects of the NICA submission as recommendations in the draft PC report.

### 3.1 Three Streams for Home Based Childcare

#### 3.1.1 Stream 1 Supporting Vulnerable 'at Risk' Children

The PC are proposing a new subsidy they are calling SECLS to support the care of vulnerable 'At Risk Children and children/family living with serious illness or disability, indigenous children, children from cultural and linguistic diverse backgrounds to replace the SCCB that is presently an important element of the Government's Protecting Children is Everyone's Business – National Framework for Protecting Australia's Children 2009-2020 that recognises and supports the importance of inclusion of children at risk of serious abuse or neglect in quality early childhood development and child care and was endorsed by COAG in July 2009<sup>5</sup>. The SCCB is a programme that has done so much good work, but represents such a small investment by the Government as a percentage of the ECEC budget.

IHC was designed to strengthen the child care safety net and provide alternative care options for families who could not access the established formal mainstream care services and the SCCB today is a vital part of all ECEC services.

The Home Childcare Educators who provide this intensive case-managed care to children with established on-going problems should do so with tailored packages of care for children and families with significant and relevant unusual needs; this work with families is likely to require assessment and brief intervention with a programme addressing the child's usual care, education or home environment; support children within the Foster Care System; support children with special needs who are difficult to place in other forms of child care and require an additional level of support.

This special type of care will require Early Childhood Education programmes that have positive role-modelling, setting boundaries and routines etc. Close links will also be required with family case manager and or Government Departments.

One of the key benefits of this service model is that many identified areas of need for which referral to other services is traditionally sought are addressed in the home environment. Families referred to programmes from Government Agencies would generally benefit from attending care

The goal and key to the success of this type of care will be the transition of children to more mainstream care when deemed appropriate by authorities.

### **3.1.2 Stream 2 Emergency Service Shift Workers, Rural & Remote Areas**

Under the capped IHC programme and FDC with limited services after hours there is little assistance or capacity now for families who are shift workers that gives them the flexibility to meet their family caring arrangements.

The PC Draft Report uses the example of a fire-fighter shift worker who is on an 8 day rolling roster who is required to work different days and nights every week.

The NICA submission used the example of a nurse working rotating shifts including night work, and partner who is a Police Officer and is working a 12 hour shifts also rotating with night shifts. For both these family cameos trying to organise and co-ordinate child care for their children is akin to 'mission impossible'.

The benefits of Home Childcare for families who are Shift and Emergency Services Workers are immeasurable as they are obvious as they get the additional flexibility they need by opening up this programme of places that will be funded under the ECLS subsidy allowing eligible parents to access this most flexible form of child care.

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<sup>5</sup> A Guide to Special Childcare Benefit 10 July 2012 p 6

NICA research strongly suggests that many shift working parents will not require 38 hours of care a week, but instead may use a suite of measures such as a mix of long day care and Home Childcare.

The draft recommendations by the PC will assist the use of these different care options through the use of allowable absences i.e. providers could offer the places of a child on extended leave to other children for the duration of their absence.

The other option for such families is a Home Childcare Share Plan where families could share an educator with the same staff/child ratios (no more than 4 children under school age) as currently applying to FDC under the NQF.

In 2013, the former Gillard Government put in place a trial of flexible childcare for emergency shift workers, a trial that has been judged as a failure with as few as one-fifth of the 500 families targeted in the trial actually participating. While NICA made representations to the then government to include IHC in the trial we believe it failed as they chose a mix of FDC and LDC, and ignored the solution families are asking for and that is an uncapped and extended IHC programme.

There is much research and anecdotal experience that strongly demonstrates parents are reluctant and unwilling to remove a sleeping child from bed in the middle of the night to drop the child into the local childcare centre or at the home of a Family Day Care Educator.

Many parents have said this is the last thing they would want to do and that the right and proper place for a young child at night is at home in the comfort of their own bed and in the security of their family home and this is what Home Childcare can offer parents.

A recent Departmental Report noted that some families could not afford to pay for more childcare, while others wanted to use only after-hours on an ad-hoc basis, there was also an incompatibility between when extra care was available and when families needed that care and where the care providers were based. In other words the Flexibility Trial was not flexible at all.

NICA has submitted to the Government a plan for a Flexible IHC Share Plan that we believe can part of a real solution in a suite of early childhood options for families, and note that the PC in their draft report also indicates that a Home Childcare system could enable parents to 'share a nanny'.

The NICA plan can provide families with the flexibility and stability they are asking for but in a more convenient and less stressful environment for the family and the children.

Such a Home Childcare Share Plan will appeal to parents as it will allow each parent to hire a qualified educator at a lower fee rate, it will also offer contact with other local children who enjoy the same activities and similar needs.

### **3.1.2.1 Home Education Share Costing's**

The average cost of long day-care in NSW is around \$81.50 a day and can be as high as \$102.16 in Sydney's northern beaches and \$111.20 a day in Sydney's Eastern Suburbs. A basic calculation at the lower average for two children would be \$163 a day, \$815 a week.

Sharing a Home Educator can be a cost effective way to get flexible, consistent and high quality care in an in-home environment. Such a share educator arrangement can be achieved at a more affordable cost to the family budget for families who are presently able to claim the CCR and for those eligible for both the CCR and CCB.

NICA believes that families on an income of \$80,000 a year who are eligible to claim both the CCR and the CCB, may enter into a shared care arrangement with as little as 9 per cent cost at night or 12 per cent during the day to the family budget in comparison to the costs of LDC.

The Home Educators would be employed by services providers as indicated in the table below allowing for the cost of administration, superannuation, payroll tax and workers compensation. The calculations in the table below are intended to be indicative and are based on the best information available at the time of making them, but are not intended to be used as a finite resource, but rather an indicative measure to inform broad policy direction.

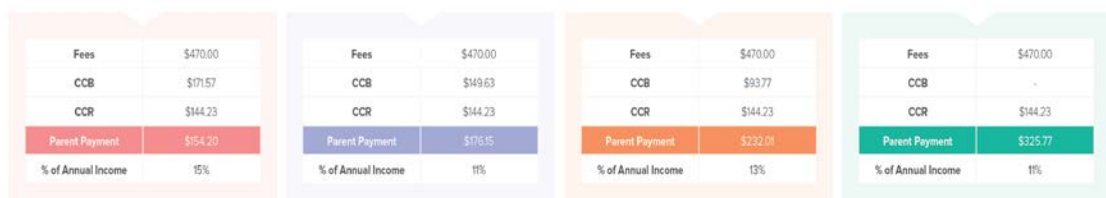
## Shared Care Summary

### In Home Care suggested pilot program deliverables

Based on 1 child for 50hrs of IHC per week between the hours of 7.00am - 5.00pm



### Comparison to long day care centre in Parramatta



Note: These calculations are intended to be indicative only and are based on the best information to hand at the time of making them. They are not intended to be used as a finite resource, rather an indicative measure to inform broad policy direction.

The following steps will need to be put in place:

- Department to invite Expressions of Interest from Home Childcare providers interested in participating in the Home Childcare educator Share Plan;
- Successful providers will put in place a strategy to promote the share care plan i.e. online media/advertising etc.;
- Home Childcare Share plan will operate under the NQF requirements that are currently in place for FDC;
- Families and Educator to sign one umbrella agreement/contract;
- Providers will have an emergency contact person available after hours for use of parents and educators;
- Families will be able to register interest on line by completing their family profile to be matched with another like-minded family and educator;
- Neighbour families, work colleagues or close friends could apply together to participate in the share pilot;
- Educator and the family will be overseen and supported by a qualified Programme Co-ordinator who will maintain regular contact with the families and educators, both through a schedule of regular physical visitation and via phone and email communications;
- Educator activities will be strictly limited to the care, play and education of the children, and will not be available for other household chores;
- The Programme Co-ordinator will arrange meetings with like-minded families looking to share an educator in the same local area to establish the compatibility of the families;
- All Educators will be interviewed, assessed for suitability, will undergo a full background check and induction process all supported by an experienced and qualified programme co-ordinator who will oversee the programme;
- IHC providers will have the responsibility to organise a back-up educator where possible for the family in case of illness or family emergency;
- Programme Co-ordinators and Educators providing care for families will ensure they agree on parenting philosophy i.e. approach to discipline, ages, dietary requirements, and planning for a well-rounded day of activities for the children;
- Care will primarily be provided in one home or be divided between two households depending on families schedule and suitability. The Educator will put in place an exact schedule that will include some sit-down time with parents and educators to ensure for good communications;
- The Home Childcare Share Plan should initially operate as pilot and be monitored for success or otherwise by Departmental officials.

### **3.1.3 Stream 3 Registered/Vetted IHC and NQF Educators**

The PC in their draft report considers that nanny services should be eligible for Australian Government support as approved care and should be brought within the NQF, but subject to standards that are appropriate for the type of care provided and the needs and expectations of parents.

Submissions from both NICA and Dial-An-Angel, suggested that nannies could be included under the NQF 'with similar exemptions and requirements to those of FDC staff which would also enable parents to 'share' a nanny. NICA is of the view that approved Nannies should be referred to as Home based Educators and that Home Based Educator activities need to be strictly endorsed and limited to the care, play and education of the children, and will not be available for other household chores.



There are around 30,000 nannies working in Australian homes<sup>6</sup>, which are largely unregistered and un-vetted by the appropriate government agencies, and are working within the cash economy. These are places that need to be officially unlocked and professionally registered and supervised.

To address this issue NICA has suggested that there is a capacity for 25,000 additional Home Based Care places into the ECEC by rolling into the system educators who are working as nannies but are currently unregistered.

The shortage of flexible places currently in the system has forced many parents to seek unregistered and unlicensed child care workers either online or through classifieds in the media. These are largely nannies that don't have any qualifications as educators and without any vetting in terms of police checks and first aid qualifications.

Under Home Childcare programme the IHC educators and approved nannies will be qualified and registered, giving parents a sense of security that the people looking after their children have satisfied strict regulatory and education requirements.

NICA will work with the Australian Nanny Association (ANA), Family Day Care (FDC) and with all levels of governments to set-up a system of vetting and registration of educators to ensure all child care educators deliver high standards of care for the children they care for.

The Home Childcare sector will need to ensure the quality of service delivery and high standards of care by putting in place regulation that will enable providers to regulate/vet these FDC and IHC Educators and approved Nannies to the National Standard for In-Home Care levels. (e.g. first aid qualifications, experience etc.)

The same IHC, FDC or ANA service could then be responsible for processing basic attendance data, family details and educator provider number to the National Online Child Care Management System (CCMS) resulting in a payment to the family by CCMS being the eligible portion of the CCR.

The established CCMS is a national child care computer system that provides details of existing Child Care Benefit (CCB), Child Care Rebate (CCR) and child care supply and usage to families, services and government and has the capability of monitoring this procedure.

Additionally, a national mechanism should be put in place to allow for the family to progress their children into the mainstream child care service when parental circumstances allow.

NICA is recommending we should extend the range of organisations who can vet to include established IHC, FDC providers and approved Nanny Agencies. (*The existing network of FDC and IHC are geographically spread to easily be able to cover all areas of the country requiring this flexible care model*). IHC and FDC already possess the systems, and processes for vetting Home Based Care Educators.

Such approval for all organisations to be provided by (a) a variation to existing funding agreement, and (b) for organisations who do not have funding agreement in place then

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<sup>6</sup> Nicole Brady and Deborah Gough, Sydney Morning Herald 5 August 2012



a new application and signed agreement with DEEWR to deliver the program of vetting in the approved manner.

Services would be required to supply families with copies of the relevant legislation to assist them in the fair and equitable practices of employing an educator in the home. This would include copies of the Modern Child Care Award 2010, ATO details, Superannuation etc. This would ensure the protection of the rights of the Educator and promote compliance with the responsibilities of the family as the employer if they are contracted by the family rather than being self-employed.

In-Home Care and Family Day Care is at the leading edge of a solution for parents who require greater flexibility in their care arrangements because of their working hours, and for those who live in city areas where childcare places are presently at a premium and providers have long waiting lists.

These three streams of care can be rolled into new Home Based Childcare programme and NICA will work with the Australian Nanny Association (ANA), Family Day Care (FDC) and with all levels of governments to set-up a system of vetting and registration of educators to ensure all child care educators deliver high standards of care for the children they care for.

## **4.0 PC DRAFT RECOMMENDATIONS FOR HOME CHILDCARE AND THE SCCB**

NICA would like to comment directly on some of the draft recommendations contained in the PC draft report relating to Home Childcare. However, we note that many of these recommendations are largely consistent with the NICA submission to the PC in February this year.

NICA strongly believes there needs to be a Government funded Home Based Care system for families where they are able to claim ECLS for their children and that IHC and FDC Educators, and approved Nannies need to work under one umbrella in delivering of these Home Childcare services.

### **4.1 Draft Recommendation 12.2**

The Australian Government should combine the current Child Care Rebate, Child Care Benefit and the Jobs Education and Training Child Care Fee Assistance funding streams to support a single child-based subsidy, to be known as the Early Care and Learning Subsidy (ECLS). ECLS would be available for children attending all mainstream approved ECEC services, whether they are centre-based or home-based.

#### **SUPPORT:**

NICA supports the introduction of a fairer and more efficient payment system to assist all families with the cost of Early Childhood Education and Care and have long lobbied that IHC is uncapped and extended and eligible for a rebate similar to the proposed ECLS. "Under an uncapped/extended IHC program the educators will be qualified and registered, giving parents a sense of security that the people looking after their children have satisfied strict regulatory and education requirements", NICA Submission to the Productivity Commission, February 2014.

## 4.2 Draft Recommendation 12.4

The Australian Government should fund the Early Care and Learning Subsidy to assist families with the cost of approved centre-based care and home-based care. The program should:

- assist with the cost of ECEC services that satisfy requirements of the National Quality Framework
- provide a means tested subsidy rate between 90 per cent and 30 per cent of the deemed cost of care for hours of care for which the provider charges
- determine annually the hourly deemed cost of care (initially using a cost model, moving to a benchmark price within three years) that allows for differences in the cost of supply by age of child and type of care
- support up to 100 hours of care per fortnight for children of families that meet an activity test of 24 hours of work, study or training per fortnight, or are explicitly exempt from the criteria
- Pay the assessed subsidy directly to the service provider of the parents' choice on receipt of the record of care provided.

### SUPPORT:

NICA supports the recommendation that families be eligible to receive ECLS for Home Childcare subject to the approved service meeting the requirements of the NQF as outlined in NICA submission to the PC i.e. "IHC is classified as an 'out of scope' service and was expected to remain so until the review of the National Quality Framework (NQF) in 2016. However, NICA believes that Early Childhood Learning is a right for all children and that 24 hour weekly activity test of work, training, study a fortnight may restrict many children from receiving this care. Children using care for care can support families to function more effectively and assist in keeping the family from need from the child care protection system. However, PC may want to consider exempting the NQF requirement for remote areas that already have trouble accessing educators often so many hours from the nearest town.

## 4.3 Draft Recommendation 8.6

The Australian Government should remove the In-Home Care category of approved care, once nannies have been brought into the approved care system.

### SUPPORT:

No one is more qualified to make a significant contribution Home Childcare than the service providers who have been efficiently providing this form of care for more than 10 years to more than 50,000 children. NICA acknowledges the PC support for the Government funded IHC programme as outlined in their draft report. This also reflects the positions outlined in the NICA Submission such as bringing approved Nannies into the care system. NICA are recommending a Steering Committee to oversee the development of the new Home Childcare Sector that would embrace IHC, FDC and ANA under the one umbrella such as Australian Home Childcare sector that would embrace IHC, FDC and the ANA.

#### 4.4 Draft Finding 12.1

It is unclear that the proposed changes to the paid parent leave scheme would bring significant additional benefits to the broader community beyond those occurring under the existing scheme. There may be merit, therefore, in diverting some funding from the proposed new scheme to ECEC to ensure that the government's workforce participation objectives are met and ECEC services to additional needs.

##### **SUPPORT:**

NICA supports the diverting of portion of the funding from the Paid Parental Leave (PPL) scheme to fund ECEC service. In response to the Commission of Audit recommendations, the NICA President said "The National In-Home Childcare Association (NICA) has today supported the findings of the Commission of Audit to cap the Paid Parental Leave (PPL) scheme and to redirect the savings to expand services that includes the government funded IHC programme.

The Commission of Audit has clearly acknowledged the importance and value of the official government funded IHC programme by including it in their recommendations and we feel this is reflected in their statement "that the childcare system should support rather than restrict parents' choice", Commission of Audit, April 2014.

In the words of Miriam Stanborough, Project Manager, at Iluka Resources who agreed that the money earmarked for PPL would be better spent on child care. Ms Stanborough said "I wasn't opposed to PPL because I like the argument that it would make paid parental leave a workplace entitlement and not a form of welfare. It had great merit, but for the benefit of more women working I support putting money into better quality and our of hours child care", West Australian, August 6 by Rhianna King.

#### 4.5 Draft Recommendation 8.5

Governments should allow approved nannies to become an eligible service for which families can receive ECEC assistance. Those families who do not wish their nanny to meet National Quality Standards would not be eligible for assistance toward the costs of their nanny. National Quality Framework requirements for nannies should be determined by ACECQA and should include a minimum qualification requirement of a relevant (ECEC related) certificate III, or equivalent, and the same staff ratios as are currently present for family day care services. Assessments of regulatory compliance should be based on both random and targeted inspections by regulatory authorities.

##### **SUPPORT:**

NICA clearly supports this recommendation that was a key to the NICA submission to the PC i.e. "NICA also believes that all IHC educators and approved nannies will need to meet NQF standards such as half the educators will need to have or to be actively be working towards a diploma-level early childhood education and care qualification or above; and or be actively working towards a Certificate III level early childhood", NICA Submission to the PC, February 2014. NICA would also recommend a special module of study based on Home Childcare as part Certificate III qualification for educators. Regulatory compliance of the NQF could be part of the brief for the proposed NICA Steering Committee.

## 4.6 Draft Recommendation 12.6

The Australian Government should establish three capped programs to support access of children with additional needs to ECEC services.

- The Special Early Care and Learning Subsidy would fund the deemed cost of meeting additional needs for those children who are assessed as eligible for the subsidy. This includes funding a means tested proportion of the deemed cost of mainstream services and the 'top-up' deemed cost of delivering services to specific groups of children based on their needs, notably children assessed as at risk, and children with a diagnosed disability.
- The Disadvantaged Communities Program would block fund providers, in full or in part, to deliver services to specific highly disadvantaged community groups, most notably Indigenous children. This program is to be designed to transition recipients to child-based funding arrangements wherever possible. This program would also fund coordination activities in integrated services where ECEC is the major element. The Inclusion Support Program would provide once-off grants to ECEC providers to build the capacity to provide services to additional needs children. This can include modifications to facilities and equipment and training for staff to meet the needs of children with a disability, Indigenous children, and other children from culturally and linguistically diverse backgrounds.

### SUPPORT:

The NICA submission to the PC strongly supports the Special Childcare Benefit (SCCB) and as outlined in Stream One from the Three Stream recommendations being the Care of Vulnerable 'at risk' children and children/family living with serious illness or disability and or in a remote area.

It is a policy response to the needs of families and is founded on well documented research such as the High Scope Perry project that clearly demonstrates that the quality of the experience that a child has in their early years casts the outcomes in later life.

There is good evidence to suggest that early intervention and prevention programs in the areas of maternal, child and family health; early childhood education and care; and family support programs can improve outcomes for children, particularly those from disadvantaged backgrounds.

IHC was designed to strengthen the child care safety net and provide alternative care options for families who could not access the established formal mainstream care services and the SCCB today is a vital part of all ECEC service.

SCCB is an important element of the Government's Protecting Children is Everyone's Business – National Framework for Protecting Australia's Children 2009-2020 that recognises and supports the importance of inclusion of children at risk of serious abuse or neglect in quality early childhood development and child care and was endorsed by COAG in July 2009 and a response to the National Child Protection Agreement.

The SCCB is for the care of a child at risk of serious abuse or neglect, and can help support their connection with, and engagement in, quality early learning and child care, and in turn assist their safety, wellbeing, resilience and development.

SCCB also has a role in supporting families with the cost of child care where they are experiencing a hardship event that impacts significantly on their ability to pay child care costs. This includes hardship that results from natural disasters and/or periods of local emergency.

Where SCCB is granted in accordance with the law, services may receive up to the full cost of approved child care through SCCB. Presently, where SCCB is approved it is not subject to parental income tests.

IHC supports the most vulnerable families, some presently without any support and who are falling under the radar of the system. Our philosophy is to keep these children safe and our approach is a program that operates from the inside out, not the outside in.

#### 4.7 Draft Recommendation 12.7

The Australian Government should continue to provide support for children who are assessed as 'at risk' to access ECEC services, providing:

- A 100 per cent subsidy for the deemed cost of ECEC services, which includes any additional 'special' services at their deemed cost, funded from the Special Early Care and Learning Subsidy program
- Up to 100 hours a fortnight, regardless of whether the families meet an activity test
- Support for initially 13 weeks then, after assessment by the relevant state or territory department and approval by the Department of Human Services, for up to 26 weeks.

ECEC providers must contact the state or territory department with responsibility for child protection within one week of providing a service to any child on whose behalf they apply for the 'at risk' Special Early Care and Learning Subsidy. Continuation of access to the subsidy is to be based on assessment by this department, assignment of a case worker, and approval by the Department of Human Services. The Australian Government should review the adequacy of the program budget to meet reasonable need annually.

#### **SUPPORT:**

NICA supports the introduction of the Special Early Care and Learning Subsidy (SECLS) programme to replace the Special Childcare Benefit (SCCB). However, NICA believes the PC should take a closer look at the right of care providers to sign off on the initial thirteen weeks of care as there is some evidence this could be flawed and possibly place the services providers in a position of conflict. Presently, larger providers work closely with State Government Agencies such as Community Services, but smaller operators tend to ignore the follow-up with vulnerable and 'at risk' children and families and we agree that service providers must be contact with State Authorities within one week of assuming responsibility for 'at risk' children. NICA support an initial thirteen weeks and care for up to twenty-six weeks, this could also be allowable for a four week period to provide immediate support to families in crisis while awaiting Departmental approval.

#### 4.8 Draft Recommendation 12.8

The Australian Government should continue to provide support for children who have a diagnosed disability to access ECEC services, through:

- Access to the mainstream ECEC funding on the same basis as children without a disability and up to a 100 per cent subsidy for the deemed cost of additional ECEC services, funded from the Special Early Care and Learning Subsidy

- Block funded support to ECEC providers to build the capacity to cater for the needs of these children, funded through the Inclusion Support Program.

The relevant Government agency should work with the National Disability Insurance Agency and specialist providers for those children whose disability falls outside the National Disability Insurance Scheme, to establish a deemed cost model that will reflect reasonable costs by age of child and the nature and extent of their disability. Based on an assessment of the number of children in need of this service, and the costs of providing reasonable ECEC services, the Australian Government should review the adequacy of the program budget to meet reasonable need annually.

#### **SUPPORT:**

NICA supports the continuation of 100 per cent funding for children with a disability who are presently receiving SCCB for IHC to receive SECLS. However, presently it remains unclear as to the care of children with a disability who may fall outside the NDIS framework, and we suggest a feasibility study is required as how this should be partnered with ECEC services and co-ordinated with client plans established under the NDIS when it is fully rolled out by the Government.

#### **4.9 Draft Recommendation 13.1**

The Australian Government should continue support for the current block funded ECEC services for Indigenous children to assist their transition to mainstream ECEC funding (where there is a viable labour market).

Regulatory authorities should work with providers to assist them in satisfying the National Quality Framework and managing the transition to child-based funding arrangements.

#### **SUPPORT:**

NICA support the continuing of block funding of ECEC services for Indigenous children as this is an essential part of the COAG 'Closing the Gap' policy which recommends that young indigenous children need equal opportunities to learn, develop and socialise. Equal access to quality early childhood education and care service and family support such as parenting programmes are essential to this and would be severely limited or curtailed if this funding was removed. But providers should work with the regulator to transition to the NQF in the longer term where possible.

#### **4.10 Draft Recommendation 5.2**

Governments should plan for greater use of integrated ECEC and childhood services in disadvantaged communities to help identify children with additional needs (particularly at risk and developmentally vulnerable children) and ensure that the necessary support services, such as health, family support and any additional early learning and development programs, are available.



## **SUPPORT:**

IHC Providers that care for 'at risk' and vulnerable children currently work and co-ordinate with Government Agencies such as Centrelink, Departments of Community Services and contracted NGO's regarding the care and ongoing services for children that often involve an intensive case meeting and specific instructions around the issues relating to the family beyond the usual mandatory reporting. IHC providers and educators also proactively promote parent inclusion in meeting the daily needs of the child/children and will report daily to the caseworker on the progress and or any concerns identified. The educator should also work in tandem with the caseworker to identify areas in which additional support may be needed.

### **4.11 Draft Recommendation 6.1**

The Fair Work Ombudsman, and employer and employee associations should trial innovative approaches to:

- Increase awareness about the 'right to request flexible work arrangements' and individual flexibility arrangements under the Fair Work Act 2009 and National Employment Standards
- Promote positive attitudes among employers, employees and the wider community towards parents, particularly fathers, taking up flexible work and other family-friendly arrangements.

## **SUPPORT:**

NICA notes the overwhelming support of Industry Groups, Unions, Business alike in their submissions for more flexible childcare arrangements, especially for Home Childcare and would encourage them to work with the ECEC sector and with Fair Work Australia to promote positive policy outcomes and employment standards in these important areas to assist flexibility for families. It is also noted that employment arrangements for contract educators may be in breach of arrangements under the Fair Work Act 2009. Some FDC service educators are largely employed as Independent Contractors and this could be contravening the fair work act and the ATO ruled that if you work for only one person you were deemed an employee, not a contractor, but who would then be responsibility for super, long service leave, PPL etc. Some of these issues were canvassed by the YWCA in their submission to the PC earlier this year.

### **4.12 Draft Recommendation 7.8**

Governments should extend the scope of the National Quality Framework to include all centre and home based services that receive Australian Government assistance. National Quality Framework requirements should be tailored towards each care type, as far as is feasible, and minimise the burden imposed on services.

## **SUPPORT:**

This is consistent with the approach that has been promoted by NICA to the Government, PC and the Department through submissions, industry forums and the like. NICA believes however, that this could be reviewed in terms of the care of infant children aged 0-2 years and in remote areas especially in those area that are many hours from the nearest town.

#### 4.13 Draft Recommendation 7.1

To simplify the National Quality Standard, governments and ACECQA should:

- Identify elements and standards of the National Quality Standard that can be removed or altered while maintaining quality outcomes for children
- Tailor the National Quality Standard to suit different service types — for example, by removing educational and child based reporting requirements for OSHC

#### **SUPPORT:**

While IHC is presently an ‘out of scope’ service and as such is not yet included in the NQF, the NICA submission recommends that IHC and approved Nannies be brought under the NQS as per the same requirements for FDC.

#### 4.14 Draft Recommendation 7.10

State and territory governments should, as a matter of priority, harmonise background checks for ECEC staff and volunteers by either:

- Advancing a nationally consistent approach to jurisdiction based ‘working with children checks’ as proposed in the National Framework for Protecting Australia’s Children, including mutual recognition of these checks between jurisdictions, or
- Implementing a single, nationally recognised ‘working with children check’.

#### **SUPPORT:**

This is consistent with the NICA submission recommending the Commonwealth enlist the support of State Government and Territories through the COAG process to set-up a national system of vetting and registration of educators in association with established IHC providers and Family Day Care (FDC) providers and has been the approach taken by NICA for some time.

#### 4.15 Draft Recommendation 5.4

Early intervention programs to address the development needs of children from disadvantaged backgrounds should be underpinned by research. Their impact on the development outcomes of the children attending should be subject to ongoing monitoring and evaluation, including through the use of longitudinal studies.

#### **SUPPORT:**

One of the most seminal pieces of research ever undertaken on the longer term benefits of early childhood education was done 40 years ago. The High Scope Perry Preschool Project

developed a high-quality educational approach focusing on 3- and 4-year-olds at risk for school failure. This longitudinal study found that not only was the project effective as an educational intervention, it also demonstrated other positive outcomes, including a significantly lower rate of crime and delinquency and a lower incidence of teenage pregnancy and welfare dependency. By the age of 27, program participants were nearly three times as likely to own their own homes and less than half as likely to be receiving government assistance. One conclusion is that an effective prevention strategy requires both quality programming and an adequate commitment of resources.

#### 4.16 Draft Recommendation 13.3

The Australian Government should review the operation of the new ECEC funding system and regulatory requirements after they have been implemented. In particular:

- Within 2 years of introducing subsidies based on deemed cost of care, the accuracy of the deemed costs and appropriateness of the selected indexation approach should be examined and the existence of any adverse unintended outcomes should be identified and resolved
- Within 3 years of extending the coverage of the National Quality Framework (including to current block funded services and to nannies), ACECQA should prepare a report identifying any legislative, regulatory or procedural difficulties arising from the wider coverage of the National Quality Framework.

#### **SUPPORT:**

This is consistent with the NICA submission that suggests there should be a formal process such as a Steering Committee put in place by the Department of Education and ACECQA working together with Home Childcare services such as IHC, FDC ANA to identify any legislative, regulatory or procedural difficulties relating to the coverage of a National Home Based Childcare programme as part of the NQF as recommended in our submission to the PC, February 2014 and submissions to Government.

#### 4.17 Draft Recommendation 11.1

Governments should ensure, through regulatory oversight and regular audits by the Australian Skills Quality Authority, that Registered Training Organisations maintain consistently high quality standards in their delivery of ECEC-related training.

#### **SUPPORT:**

NICA endorses the regulatory oversight of Registered Training Organisations to oversee the training of the qualification of Early Childhood Educators. NICA is also interested in the outcome of current discussions between the Government and State and Territory Government's regarding VET i.e. Vocational Training in Schools that will provide a high quality vocational pathway that engages students and provides them with opportunities such as part-time work, structured work placements or school-based apprenticeships. NICA endorses this approach,

and also supports the Star and Gateway programmes established by PORSE in New Zealand for the training in secondary schools for early childhood educators by learning theory and doing practice in early childhood settings. This is a position outlined in the PORSE submission to the PC and is supported by NICA.

#### **4.18 Information Request 13.1**

The Commission seeks information and advice on the costs and risks involved in the transition to the proposed new funding arrangements for mainstream services (including home-based care providers paying for the services of coordinators) and advice on how these costs can be minimised and risks managed.

NICA believes the monitoring of the integrity of service provision, risk and compliance can be achieved through either no or limited additional cost to the Government. Providers should allow for these vital reporting standards in their cost structure by adopting a 'hub and spoke model' of approved co-ordination ensuring educators are employed under correct awards and entitlements as specified by Fair Work Australia, agreed services are provided. An additional measure of compliance would be for families to have the capacity to updating on line that care etc. took place through the existing Child Care Management System (CCMS) or a paper reporting process for those who haven't got access to a computer.

The Commission seeks further information on the nature of the barriers faced by families with children with additional needs in accessing appropriate ECEC services and the prevalence of children with additional needs who have difficulty accessing and participating fully in ECEC. Information on the additional costs of including children with additional needs is also sought.

#### **4.19 Information Request 12.7**

The Commission seeks views on the best way to allocate a fixed funding pool to support the ECEC access of children with additional needs and deliver the greatest benefit to the community. This includes views on the best option for allocation the Special Early Care and Learning Subsidy payments for children with disabilities to ensure that the programme enables as many children with disabilities as possible to access mainstream ECEC services.

NICA believes that all children have the right to the provision of ECEC no matter their circumstances and or additional needs and that Governments have an obligation to improve services for these children and deliver strong support for their families. This is currently being accessed by families and totally funded by the Government under the SCCB. In the case of the IHC the majority of the capped places are being utilised by 'at risk' families and children with referrals from Centrelink and Communication Service Agencies (State). In the case of the Government IHC programme, our Educators are another pair of eyes and ears inside the homes and providing model practices to these very vulnerable families, and not just the social work who do the occasional 'drop-in'.

### Information Request 12.6

What is the case for the Australian Government funding start-up capital or on-going operational support for mainstream ECEC services in rural, regional and remote communities?

Attracting suitably qualified educators to rural, regional and remote communities is the key to the provision of mainstream and Home Childcare services for children in rural, regional and remote areas. Governments can assist by putting in place incentive schemes such as the district allowances currently offered in WA and the NT and the incentives payments scheme in Victoria. However, the Isolated Children's Parents Association (ICPA) have expressed concerns regarding the recommendation that educators working in remote areas need to be part of the NQF and NICA believes the PC should give serious consideration to exempting Educators who work in remote areas from the NQF as they are largely single families many hours from any town and it is already difficult to source anyone to work in these areas and many families have to resort to backpackers and adding an extra layer of requirements may mean there is almost no chance of anyone being able to have any ECEC service at all.

### 4.20 Information Request 13.2

The Commission seeks information on the efficiency and effectiveness of outsourcing the allocation of funding under capped programs that support children with additional needs. Views are sought on the model that should be used to allocate funding under the proposed new funding arrangements and the governance requirements to ensure outsourced allocation services are accountable, and deliver value for money.

In the NICA submission (Stream 1) to the PC we emphasise the need and importance of funding to support for children with additional needs whether they be vulnerable 'at risk' children, children with disabilities or children with illness, or children with a parent suffering from a terminal illness. NICA are advocating the continuation of the 100 per cent in funding for this category of care as is presently the case whether it be kept under the existing SCCB or within the new ECLS programme as per the draft PC Report. Realistically, this form of care is more costly to provide and is often required on a 24/7 basis and also in excess of the currently allowed 13 weeks without seeking further approval. However, the Department needs to ensure that care providers adhere to strict guidelines laid down and enforced by the appropriate Government Department, possibly Human Services from where the majority of referrals emanate from.

## 5.0 CONCLUSION

The Productivity Commission are correct when they say we need a new Early Childhood environment for Australian families who are trying to cope with a system that was designed for another age.

NICA believes we need to foster a new early childhood environment that offers families more flexible and better options to assist them balance their working and family lives while ensuring the very best of Early Education and Care for their children.

We believe that the concept of a Home Childcare sector is a giant step along the pathway in the continuing evolution of Australia's excellent Early Childhood Education and Care. NICA are very excited to be part of this new way forward for ECEC in Australia.

NICA looks forward to the PC Final Report to Government in October 2014 and working with the Government and other Home Childcare providers on the final recommendations as we move together as a sector.