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Dear Commissioner

RE: FDCA Submission to the Early Childhood Education and Care Capacity Study

Family Day Care Australia (FDCA) welcomes the opportunity to provide a submission in response to the November 2023 consultation paper for the Early Childhood Education and Care (ECEC) Capacity Study, being undertaken by Jobs and Skills Australia (JSA) in partnership with HumanAbility.

We note that the objectives of the ECEC Capacity Study are to provide critical evidence, insights and recommendations as appropriate to support current and future workforce planning in the ECEC sector, including a detailed understanding of the current state and future needs of the workforce.

In this submission, FDCA seeks assurance from JSA and HumanAbility that the important role of family day care is adequately considered and clearly recognised in the study's findings, and that recommendations are made that will support the continued growth and viability of the sector.

1. About Family Day Care Australia

FDCA is an apolitical, not for profit, national member association representing approximately 10,000 family day care educators and around 400 approved family day care services. Our mission is to represent, support and promote the family day care sector in delivering high quality ECEC to more Australian children.

FDCA supports the National Quality Framework (NQF) governing the ECEC sector and, as the national peak body for the family day care sector, shares many objectives in common with Australian governments and regulatory agencies including:

- ensuring the ECEC sector is affordable, accessible and flexible;
- promoting continuous improvement in the provision of quality ECEC services;
- reducing regulatory and administrative burden for ECEC services, whilst simultaneously improving the efficiency and cost effectiveness of the regulation of ECEC;
- supporting measures to build a highly skilled workforce; and
- increasing workforce participation and women's economic security.

2. About the family day care sector

The family day care sector is an essential part of the ECEC sector, providing flexible, affordable and accessible education and care for more than 40 years.

Regulated under the *Education and Care Services National Law Act 2010* and the *Education and Care Services National Regulations*, it plays a vital role in meeting the diverse and changing child care needs of a significant proportion of Australian families, while at the same time also responding to many parents' choice for a 'home-based' and 'family-like' environment for their children.¹

According to the latest *Child Care in Australia* quarterly report issued by the Commonwealth Department of Education, the family day care sector supports more than 53,940, or 5.3% of families across Australia. Of the 1,438,150 children nationally, who attended approved ECEC services in the September quarter 2023, a total of 75,400 or 5.2%, attended family day care.²

The family day care model is unique within the broader ECEC sector. Educators are registered with approved services and work as sole contractors, effectively running their own small business, working from their own homes with small groups of no more than four children under school age, with the option to care for an additional three school aged children outside of school hours. This provides educators with the opportunity to personalise learning programs and experiences for children, and to develop strong connections with them and families.

2.1 Capacity to deliver greater flexibility and non-standard hours care

Importantly, the family day care sector has been shown to offer significantly higher levels of flexible sessions than centre-based day care. For example:

- 84.7% of family day care services offer shorter sessions (up to 6 hours) compared to only 17.2% of long day care services.³
- 94% of family day care services also offer longer sessions (7-12 hours).
- 65.3% allow for the swapping of days/sessions or sessions to be added or changed at short notice, compared to 51% and 50.2% of long day care services respectively.⁴

Family day care also offers considerably higher levels of non-standard hours care, compared to the long day care sector:

- 88.2% of family day care services offer sessions of care on weekdays before 7am or after 6pm, compared with 45.7% of long day care services.
- 85.5% of family day care services offer care on weekends, compared with a mere 0.5% of long day care services.
- 47.5% of family day care services offer overnight care, as compared with 0% of long day care services.⁵

¹ Pascoe, S. Brennan, D. (2017), Report of the Review to Achieve Educational Excellence in Australian Schools through Early Childhood Interventions.

² Child Care Subsidy data report – September quarter 2023 at <https://www.education.gov.au/early-childhood/early-childhood-data-and-reports/quarterly-reports-usage-services-fees-and-subsidies/child-care-subsidy-data-report-september-quarter-2023>

³ Baxter, J., Budinski, M., Carroll, M., Hand, K., Rogers, C., Smart, J., Bray, J.R., Gray, M., Blaxland, M., Katz, I., & Skattebol J. (2019) Child Care Package Evaluation: Early monitoring report. (Research Report). Melbourne: Australian Institute of Family Studies.

⁴ Ibid.

⁵ Baxter, J., Budinski, M., Carroll, M., Hand, K., Rogers, C., Smart, J., Bray, J.R., Gray, M., Blaxland, M., Katz, I., & Skattebol J. (2019) Child Care Package Evaluation: Early monitoring report. (Research Report). Melbourne: Australian Institute of Family Studies.

This flexibility is critical to catering for the current and future needs of Australian families, especially in the face of changing work patterns, where casual, contract and part-time work is common, and women form 68.1% of the part-time workforce.⁶

However, recent inquiries and reviews into ECEC have noted that the provision of non-standard hours care appears to be declining in the family day care sector.⁷ In our view this is symptomatic of the cost of providing of such care and the inadequate hourly CCS rate that applies to family day care. See Section 4 below for a more detailed discussion of this issue.

The availability of responsive and flexible ECEC services during non-standard hours as well as the availability of occasional care is absolutely key to supporting a range of front-line employees and contractors. These workers often work casual and on-call shifts, split shifts and irregular hours across a range of occupations including nurses, paramedics, police officers, FIFO workers, cleaning contractors, factory workers, farmers and those that work in the hospitality industry.

If properly supported, family day care could play a bigger role in meeting the needs of families requiring flexible, occasional and non-standard hours care.

2.2 Supporting families in areas of least advantage

The family day care sector also plays a significant role in providing ECEC in areas of least advantage.⁸ FDCA's own research shows 24% of educators nationally provide family day care in areas that are ranked in the two highest deciles on the SEIFA index and over half of educators (54%) are located in areas ranked in the first five deciles of the SEIFA index.⁹

Furthermore, 30.2% of family day care takes place in regional, rural and remote areas of Australia.¹⁰ In some of these areas, family day care is the only ECEC choice available.

2.3 Supporting culturally and linguistically diverse (CALD) families and communities

Additionally, research recently undertaken for the ACCC's Childcare Inquiry has confirmed that compared to other child care types, family day care is preferred by families where languages other than English are spoken.¹¹ This was also noted in the 2021 ECEC National Workforce Census report¹² which stated that *around half* of the total number of children attending child care services during the reference week from (or had parents/guardians from) a refugee or special humanitarian program background, attended family day care services. This compared to only 3,343 in centre-based services, a sector over 10 times the size of family day care.

⁶ Gender Equality Workplace Statistics, (February 2022) at <https://www.wgea.gov.au/publications/gender-equality-workplace-statistics-at-a-glance-2022>

⁷ The Independent Pricing and Regulatory Tribunal, (October 2023), Review of early childhood education and care, Interim Report, p.46

⁸ Australian Consumer and Competition Commission (ACCC), June 2023: Childcare Inquiry, Interim Report

⁹ Family Day Care Australia, June 2022, Family Day Care Sector Profile

¹⁰ Child Care Subsidy data report – September quarter 2023 at <https://www.education.gov.au/early-childhood/early-childhood-data-and-reports/quarterly-reports-usage-services-fees-and-subsidies/child-care-subsidy-data-report-september-quarter-2023>

¹¹ Australian Consumer and Competition Commission, (June 2023): Childcare Inquiry, Interim Report

¹² Social Research Centre: 2021 ECEC National Workforce Census, August 2022

3. Parent's options constricting through a sector in decline

As you will be aware, the family day care sector is in a period of sustained decline. This fact was highlighted in the 2021 *Early Childhood Education and Care National Workforce Census* report which revealed that, since 2016 the family day care sector nationally has lost 59% of its educators. Furthermore, more than half of this loss, 30% (over 6,000 educators) occurred since the introduction of the Child Care Package in July 2018.

Unsurprisingly, the decline in family day care educator numbers correlates with a comparable decline in the number of children and families able to access family day care. In September 2018, there were 131,600 children and 89,160 families nationally utilising family day care. By September 2023, there were 75,400 children and 53,940 families using family day care. This represents declines of 42.7% and 39.5% respectively.¹³

It is important to note that the decline in usage is not due to waning demand. Indeed, demand for family day care services has never been higher. Data from FDCA service members indicates that over 3,000 new educators are needed immediately just to meet current confirmed child waiting lists.

Family day care is a unique and essential part of the ECEC landscape in Australia. Parents and guardians with children in family day care often choose this form of care because of the type of service offered. That is, they highly value the home-based, small group environment provided by family day care.¹⁴ Furthermore, as highlighted above, the family day care sector provides much needed ECEC for families living in less advantaged areas and is preferred by families who come from a culturally and linguistically diverse (CALD) background.¹⁵

The interim report for the recent *Review of early childhood education and care*, undertaken by the NSW Independent Pricing and Regulatory Tribunal ("IPART Review") highlights that family day care becomes a larger part of the mix of available ECEC services in NSW, the more remote the geographical area. This is because of the flexibility in sessions offered and the fact that it can offer care for school-aged children as well, particularly in communities where school-based Out of School Hours Care (OSHC) is not viable.¹⁶ This trend is also broadly reflected in the distribution of family day care services in regional and remote areas nationally.

Over 40 years ago the family day care sector pioneered the 'sharing economy', leveraging the capacity and capabilities of communities to deliver a unique and innovative approach to supporting the diverse ECEC needs of Australian children and families. What evolved was a thriving network of early childhood education professionals, mostly women in small business, that became the global benchmark in home-based ECEC approaches.

However, sadly, through more than half a decade of neglect, 'blunt instrument', compliance focused regulatory reform, and inequitable market intervention from governments, our sector is facing immense viability strain and the resulting outcome

¹³ Child Care Subsidy data report – September quarter 2023 at <https://www.education.gov.au/early-childhood/early-childhood-data-and-reports/quarterly-reports-usage-services-fees-and-subsidies/child-care-subsidy-data-report-september-quarter-2023>

¹⁴ Australian Consumer and Competition Commission, (June 2023): Childcare Inquiry, Interim Report.

¹⁵ Department of Education, Skills and Employment (August 2022), 2021 ECEC National Workforce Census, prepared by the Social Research Centre.

¹⁶ The Independent Pricing and Regulatory Tribunal, (October 2023), Review of early childhood education and care: Interim Report.

for children and families will be catastrophic. Despite common misconceptions, the decline of the sector is no longer a function of governments justifiably cancelling the approvals of unscrupulous operators but is in fact the demise of many of our sector's oldest and most respected services.

Without prompt intervention the family day care sector faces collapse, and in turn, the families and children for whom family day care is, for so many reasons their option of choice, or in many cases, their only choice, will be left stranded.

4. Consultation Paper Feedback

In addition to the information provided above, please find our response to the Consultation Paper's key themes and guiding questions below. We also recommend you refer to our recent submissions to the ACCC's Childcare Inquiry, the Productivity Commission's Inquiry into Early Childhood Education and Care, and the NSW IPART Review for additional relevant information.

4.1 Overview and current state of the family day care sector

a. Key challenges and opportunities

As we have already highlighted above in Sections 2 and 3, the family sector makes a unique contribution in meeting the diverse needs of Australian families and their children.

The key challenges for the sector are patently clear:

- to arrest the decline in numbers of family day care educators and services and support continued growth of the sector; and
- strengthen the financial viability of providing family day care to families through higher CCS hourly rates and targeted supply-side initiatives.

With innovative thinking and the right form of support, there are opportunities to better leverage the capacity of the family day care sector in this regard.

Demand is at an all-time high for family day care educators, with data from FDCA service members indicating that over 3,000 new educators are needed *immediately* just to meet current confirmed child waiting lists. Nevertheless, the decline in the sector stubbornly persists.

b. Inadequate Child Care Subsidy rate applicable to family day care

The lower Child Care Subsidy (CCS) hourly rate cap that applies to family day care compared to centre-based day care (CBDC) is a critical factor affecting the financial viability of family day care services and educators' businesses and the growth of the sector. This needs to be addressed urgently.

FDCA has constantly advocated that the hourly CCS cap rate for family day care should be raised, at least in line with the calculation afforded to centre-based care services so that it more accurately reflects the cost of providing family day care; and an additional loading of 20% be applied to the recalculated CCS fee cap for non-standard hours family day care to adequately reflect the cost of providing such care.¹⁷

¹⁷ For a more detailed discussion on this issue and for related recommendations, see our recent submissions to the ACCC's Childcare Inquiry, the Productivity Commission's Inquiry into Early Childhood Education and Care, the NSW IPART Review and FDCA's 2024-25 Pre-Budget Submission.

FDCA's long-standing position is that the assumptions underpinning the calculations leading to the current CCS fee cap rates were never, or are no longer, accurate/applicable. These assumptions included the premise that family day care had "lower overheads" than CBDC.

FDCA has repeatedly challenged and refuted the 'lower overheads' assumption underpinning the calculation of the inadequate CCS cap rate for family day care. Consultation and evidence from our members show that, while family day care can be more agile and efficient in meeting and responding to variable demand especially in 'thin-markets', the 'dual-layered' overheads for both family day care services and family day care educators are fundamentally comparable to those in centre-based care.

Significantly, on 29 January 2024 the Australian Competition and Consumer Commission (ACCC) released its Childcare Inquiry Final Report which made the finding that *"the family day care hourly rate cap is also unlikely to be sufficient to adequately cover costs and recompense educators."*¹⁸ The report went on to make the clear recommendation that:

*"Determining an appropriate base for the hourly rate cap and indexing the cap to more closely reflect the input costs relevant to delivery of childcare services. This could include consideration of labour costs. As part of this, the family day care and in home care hourly rate caps should be reviewed and consideration given to increasing them. This should ensure providers can adequately cover costs, including appropriate labour costs."*¹⁹

Additionally, the recent NSW IPART Review supports this view, finding that the costs calculated for family day care were "comparable to long day care", further confirming FDCA's position on this matter.²⁰

Furthermore, as sole trader independent contractors, family day care educators have significant setup costs and ongoing overheads including, but not limited to, relevant play equipment; property maintenance and cleaning costs; ongoing training and maintenance of mandatory qualifications; mortgagees or rent; insurances (e.g. home and contents, public liability, health, personal accident/income protection, car), bookkeeping and accounting expenses, IT equipment and software licenses and so on.

Decreasing educator numbers places huge viability pressure on family day care services, given the levy-based revenue structure in family day care and many well-respected services have had to close as a result, leading to a reduction in choice for families, especially in regional areas. Furthermore, following sustained and extensive regulatory reform, specific to family day care,²¹ overheads and administration costs for family day care services, acting as 'co-regulators' to support compliance and continuous improvement by educators, have increased significantly. Action needs to be taken now.

¹⁸ Australian Consumer and Competition Commission (ACCC), January 2024: Childcare Inquiry, Final Report.

¹⁹ Ibid.

²⁰ The Independent Pricing and Regulatory Tribunal (October 2023), Review of early childhood education and care, Interim Report.

²¹ For example, in a survey of our service members about implementing the changes to EFT CCS gap fee collection from 1 July 2023 as per the recent amendment to Section 201(B) of the Administration Act, almost two thirds (63%) of respondents reported experiencing either "very high additional admin burden" or "significant additional admin burden" (33% and 30% respectively).

c. Inadequate CCS rate for non-standard hours care

Family day care is well-positioned to provide flexible hours and non-standard hours care as we noted above in section 2. Indeed, it remains the only sector that offers such care. Adequately reflecting the costs of such care in the CCS rate is absolutely essential to ensuring this type of care is viable and ultimately to supporting a range of employees and contractors who work casual and on-call shift work, split shifts and irregular hours.

FDCA strongly advocates that an additional loading of 20% be applied to the recalculated CCS fee cap for non-standard hours family day care to adequately reflect the cost of this type of care.

d. Impact of current regulatory settings

The current regulatory settings for ECEC and associated compliance and administration tasks disproportionately impact family day care educators who are registered with an approved service and work as independent contractors from their own homes with small groups of children, albeit supported by regular contact with their service coordination unit. Indeed, the increase in recent years in the administration and regulatory burden associated with being a family day care educator is a leading reason why they are leaving the family day care sector. See section 4.1(f).

Furthermore, consistent feedback from our members reveals a lack of consistency in approaches taken by state and territory regulatory authorities towards National Quality Standard Assessment and Ratings processes for the family day care sector.

e. Inaccurate definition of family day care worker in ANZCO

The current ANZCO occupation list describes a "Family Day Care Worker" (code 421112) as being:

"Family Day Care Workers provide care and supervision for babies and children, usually in the carer's own home and under local government or community-based schemes."

The above explanation of this occupation is completely outdated and misleading and the associated tasks described are inaccurate in scope.²² It reflects the overall lack of understanding that is evident across some Government agencies about the nature of family day care and the role of family day care educators and services.

Family day care educators are ECEC professionals who engage in the principles and practices of the Early Years Learning Framework (EYLF) and work within the requirements of the National Quality Framework (NQF).

In order to provide a safe educational environment for children, there are requirements for *all* educators to:

- Be registered with an approved family day care service
- Hold an ACECQA approved Certificate III level education and care qualification
- Meet National Quality Standards which include maintaining quality individualised learning programs, safe and hygienic learning environments, record keeping and qualifications

²² ANZCO Occupation List available at <https://www.anzscosearch.com/421112/>

- Maintain current first aid and CPR certificates and training in the emergency management of asthma and anaphylaxis
- Maintain a clearance for working with children
- Participate in regular support and monitoring visits conducted by their approved service
- Attend training, meetings and workshops periodically to maintain currency of skills and knowledge
- Maintain current public liability insurance coverage

Lastly, as reported in ACECQA's 2023 NQF Annual Performance Report 'private for profit' providers operate the majority (63%) of family day care services, not "local government or community-based schemes" as the ANZCO occupation definition suggests.²³

f. Factors contributing to educators leaving the family day care sector

FDCA recently commissioned independent research agency [Survey Matters](#) to undertake a study into the factors contributing to educators deciding to leave the sector, with a particular focus on the last 3 years.²⁴

While the reasons for leaving the sector were often interrelated, the time-intensive impact of regulatory compliance requirements and associated onerous administrative burden in combination with financial viability emerged as significant factors contributing to educators' decision to leave:

- Almost 3 in 4 former educators (73%) cited the impact of regulatory and administration burden as demanding, with 42% citing these requirements were extremely demanding.
- In addition, 44% of former educators said that NQF paperwork requirements was the key contributing factor to their decision to leave family day care.
- Half (50%) of respondents reported that the income they earned did not accurately reflect the responsibilities they held and the work they did.

There is an urgent need for all governments to streamline and alleviate the administration and regulatory burden on educators and services in family day care settings.

g. Other factors impacting attraction and retention of educators and service viability

In addition to the issues canvassed above, other factors impacting the attraction and retention of family day care educators include:

- Access to stable housing and the initial and ongoing financial costs for educators to make their family day care premises compliant (see 4.1.b. and 4.4 below).
- Availability and suitability of appropriate housing – especially in regional and remote areas - to establish a family day care premises. This issue in particular

²³ Australian Children's Education and Care Quality Agency, Annual Performance Report, November 2023 available at https://www.acecqa.gov.au/sites/default/files/2023-11/2023-NQF-Annual-Performance-Report-FINAL_0.pdf

²⁴ Family Day Care Australia, (November 2023) Understanding Educators Exiting Family Day Care, prepared by Survey Matters. This research was conducted using a mixed mode approach, including qualitative interviews and focus groups with educators and services, and an online quantitative survey with educators who are no longer working in the sector.

requires innovative thinking e.g. use of in-venue care where educators' own residences may not be suitable in terms of location or other factors.

- Supply-side funding programs such as the Australian Government's Community Child Care Fund (CCCCF) - Restricted Grant are not well targeted to the family day care context and consequently the sector is less likely than other service types to attract supply-side funding.²⁵ For example, currently, there are no operational funding grants available to local Governments that may be interested in setting up a family day care service in regional and remote areas, where it is not viable for other forms of care (e.g. CBDC) to set up.
- Equally, funding programs that aim to provide additional support for children in ECEC with special needs such as the Australian Government's Inclusion Support Program (ISP) are not appropriately targeted or flexible enough to cater for the family day care context and often come with onerous administrative burden.²⁶

In summary, there are numerous opportunities to better harness the capacity of the family day care sector, in attracting and retaining early childhood educators, in particular a range of supply-side measures to boost supply in 'thin markets'; however, this requires innovative thinking and a willingness from all Governments to work in partnership with the sector.

h. Addressing the workforce demand and supply gap in family day care

We have already referred to the current workforce demand and supply gap in family day care in *Section 3* above, as well as the critical factors leading to services closing and educators leaving the sector.

In addition to these issues, FDCA is also aware that barriers exist for family day care services in terms of being able to access visa sponsorships that could assist in filling gaps in supply, particularly in regional and remote areas - for example, Designated Area Migration Agreement (DAMA) visa sponsorships and other existing and new visa programs. We therefore suggest that relevant visa program eligibility requirements be reviewed so that family day care services can also draw on this avenue for filling gaps in demand and supply.

Furthermore, sponsored traineeships in ECEC, increasingly used by CBDC and OSHC services to bolster their workforce pipeline, are not an option available to family day care services due to its unique structure. Given the removal of the "working towards Certificate III" provision in the National Regulations, there should be a dedicated traineeship model for working in family day care. Creating traineeships tailored for working in the family day care sector would likely facilitate innovative approaches.

FDCA is currently experiencing strong interest from both industry and governments in exploring innovative options for addressing supply gaps and addressing the provision of family day care in regional areas and/or 'thin markets' within existing regulatory frameworks. We are currently exploring educator and service incentivisation measures with industry in mining towns in Central Queensland, and we are in similar discussions with the Department of Defence, the South Australian Government, the NSW Government, the Queensland Government and GrainGrowers Australia.

²⁵ The Independent Pricing and Regulatory Tribunal (October 2023), Review of early childhood education and care, Interim Report, p.166.

²⁶ Deloitte Access Economics, (September 2023), Review of the Inclusion Support Program – Final Report,.

One option that we are exploring, is a paid practicum for “*working towards Certificate III*” family day care educators to work in partnership with a qualified family day care educator (in turn increasing the educator to child ratio and thereby supply). FDCA has been in discussions with several state regulatory authorities, including NSW, as well as our industry partners, to explore innovative solutions such as this, with a focus on boosting supply in regional and remote areas.

4.2 Future of the workforce

Emerging trends and future needs: high level of cultural and linguistic diversity

As already highlighted above, the latest *ECEC National Workforce Census* revealed that *around half* of the total number of children attending child care services during the reference week from (or had parents/guardians from) a refugee or special humanitarian program background, attended family day care services. This compared to only 3,343 in centre-based services, a sector over *10 times* the size of family day care.²⁷

In addition, there exists a high level of cultural and linguistic diversity among the family day care educator workforce itself.²⁸

Research undertaken by FDCA on behalf of the Commonwealth Department of Education (“the Department”) showed that:

- while, the majority of educators (1,025 or 50.9%) were born in Australia, 49.1% of educators were born overseas : India at 7.7% (n=155), Sri Lanka at 3.5% (n=71), United Kingdom at 3.2% (n=65), Bangladesh at 3.0% and Pakistan at 2.2%
- the majority of educators (57.9%; n=1,166) identified English as their primary and sole language spoken
- after English and Arabic, the next 5 most identified languages spoken were: Hindi at 3.4% (n=68), other1 at 3.2% (n=65), Bengali at 3.0% (n=60), Sinhala at 2.7 (n=54) and Punjabi 2.5% (n=50).
- the top ten cultural backgrounds that respondents identified with were:
 - Australian (44.8%)
 - Indian (5.8%)
 - English (3.2%)
 - Bangladeshi (2.8%)
 - Sri Lankan (2.4%)
 - Pakistani (2.1%)
 - Lebanese (1.8%)
 - Chinese (1.5%)
 - Somali (1.4%)
 - Iraqi (1.4%).

The current proportion of educators in family day care from a CALD background, in addition to the existing evidence that shows family day care already plays a significant role in meeting the needs of children from (or children who had parents/guardians from) a refugee or special humanitarian program background, reveals

²⁷ Department of Education, Skills and Employment (August 2022), 2021 ECEC National Workforce Census, prepared by the Social Research Centre.

²⁸ Family Day Care Australia, (March 2023), Family Day Care Educator Demographic Research. Unpublished report prepared for the Commonwealth Department of Education.

strong connections with communities from sub-continent cultures.²⁹ This suggests that there is potential to grow this capacity in the family day care sector to both support the future care needs of these communities and to also promote family day care to members of CALD communities as a career opportunity.

Further research is urgently required to delve deeper into the future care needs of the Australian workforce *from a cultural and linguistic diversity perspective*. Recent research published by the Department of Foreign Affairs and Trade³⁰ points to significant future care needs from the Indian diaspora community, where there is a larger share among Indian-born people aged 25 to 39 as well as a larger percentage of children under the age of nine, compared to the general Australian population. This age profile, combined with other demographics, illustrates the potential economic contributions that the Indian diaspora may make in the future, if their care needs are met.

4.3 Pathways and qualifications

As for all parts of the broader ECEC sector, the future viability of family day care relies heavily on having a pipeline of educators to meet future needs and work challenges. We have already noted in 4.1 (g) the need for innovative thinking to be applied in addressing demand and supply gaps, including opportunities to expand or shore up this pipeline, for example through traineeships and relevant VISA avenues.

a. High level of diversity in family day care educators' qualifications and access to "fee free" incentives

While a minimum Certificate III in ECEC is required under the *Education and Care Services National Law Act 2010* to work as a family day care educator, FDCA's research undertaken for the Department on educator demographics³¹ revealed a high level of diversity in educational qualifications of those entering family day care, including higher non-ECEC qualifications.

In relation to ECEC related qualifications:

- a majority of educator respondents (54.4% or n=1,096) held a Diploma level qualification or higher
- 6.3% (n=127) had a Bachelor Degree or higher and 42.6% (n=859) indicated they held a Certificate III/IV.
- only 3.0% identified as working towards Certificate III.

In relation to non-ECEC qualifications, FDCA's research showed:

- a majority (55.8% or n=1,127) of educators held a non-ECEC related qualification, 30.9% (n=624) of the overall total being at a Diploma level or higher.
- of particular note is that 16.8% (n=339) held a non-ECEC Bachelors Degree or higher.
- 44.1% (n=888) of educators had no non-ECEC related qualifications. Of these, 56.0% (n=497) were born in Australia and 31.6% (n=281) had a highest school education level of year 10 or below.

FDCA is aware of potential family day care educators not being able to secure "fee free" TAFE places for a Certificate III in ECEC due to having higher existing

²⁹ Department of Education, Skills and Employment (August 2022), 2021 ECEC National Workforce Census, prepared by the Social Research Centre.

³⁰ Department of Foreign Affairs and Trade, (2022), *Australia's Indian Diaspora: A National Asset*.

³¹ Family Day Care Australia, (March 2023), *Family Day Care Educator Demographic Research*. Unpublished report prepared for the Commonwealth Department of Education.

qualifications. The diversity of non-ECEC qualifications that potential entrants to the family day care sector may hold is an important consideration when offering 'fee free' incentives so that they do not inadvertently present barriers to workforce supply.

b. Difficulties navigating educational pathways

FDCA is also aware that difficulties have been experienced by potential family day care educators in navigating Australian qualification pathways and requirements, especially for those from CALD and disadvantaged backgrounds, highlighting a need for clearer and plain English explanations.

c. Certificate III training package content

The content of the current Certificate III in Early Childhood Education and Care (CH30121) is largely geared towards preparing educators for work in CBDC settings, in particular long day care. Work placements also focus on long day care settings. While there is a specific unit focusing on being an educator in the family day care setting, it is an optional unit only that competes alongside other optional units.

d. Quality of course provision

FDCA has also received significant feedback about the poor quality of many Certificate III courses available online, in particular from some private providers. This suggests there needs to be better oversight / quality control of providers and their course material to ensure a reliable pipeline of family day care educators to meet the future needs of families.

e. Career progression

There is evidence that entry into family day care is often a career progression from working in a long day care setting or other related educational field. Indeed, FDCA's research shows that almost half (45%) of early career family day care educators have previously worked in the long day care sector, 12% in kindergarten or pre-school, and 8% in primary schools. Reasons for this include being drawn heavily to the opportunity to work from home, while applying their skills in a small group setting, being able to tailor educational programs more to the individual child and enjoy greater autonomy in their career.³²

Once in the family day care sector, many educators continue to progress their career by becoming a coordinator at a family day care service, working to support other family day care educators.

4.4 Participation and Engagement

a. Influences on patterns of work

In addition to previously identified factors influencing educators' participation and engagement in the family day care sector, family day care educators tend to enter the sector at a stage in life where they have stable housing and enough financial security to be able to cover the considerable set-up costs and run a business from home.³³

FDCA's 2019 research showed that while a total of 88% of educators surveyed owned their own home, this fell to 65% of early career educators with less than 3 years'

³² Family Day Care Australia, (February 2019), Attracting the next generation of family day care educators, prepared by Survey Matters.

³³ Ibid.

experience. Educators who do not own their own home must apply to their landlord for permission to run a family day care business from their premises, thus likely influencing their decision to become a family day care educator.

Related to the life-stage factors cited above, the age profile of family day care educators is a mature workforce with the majority (70%) aged between 36-60 years of age, and the peak in the 46-50 age bracket.³⁴

This is also reflected broadly in the data collected in the 2021 ECEC National Workforce Census which reported that 68.8% of educators were aged 40 years and over. Furthermore, key factors contributing to the decision to become a family day care educator is the ability to work and have an income while being able to be at home to balance family needs.³⁵

b. Encouraging workforce participation for priority groups

As already demonstrated, the profile of the family day care educator workforce is highly diverse, and often reflects the makeup of the community in which educators operate their business. Further to the information shared above, our demographic research for the Department³⁶ showed that:

- the vast majority of services surveyed (84.3% or 129) reported having educators from a CALD background registered with their service. Of these services, 5.7% (n=24) also reported having educators who identified as being Aboriginal or Torres Strait Islander registered with them.
- 1.5% (n=30) of educator respondents identified their cultural background as being Australian Aboriginal in either their first or second choice of possible cultural backgrounds. This is lower than that of the general population in Australia, which in 2021 was 3.8%.

As such, there is opportunity to better leverage greater participation by First Nations Australians, especially in regional and remote Australia. However, encouraging greater participation by priority groups in family day care requires additional targeted initiatives that take the structure of the family day care model into account and target the specific needs and circumstances of groups as well as address community needs.

Access to relevant "fee free" courses, traineeship opportunities especially in 'thin markets', and supply-side initiatives such as 'educator set-up grants' to offset the costs of setting up family day care business, will all potentially assist in this regard.

In addition, the regulatory requirements for family day care need to be streamlined to mitigate the high risk of educator burnout and be complemented by Plain English resources that help educators navigate the regulatory and administration requirements associated with working as a family day care educator.

5. Conclusion

In closing, thank you again for the opportunity to respond to the consultation paper for JSA's Early Childhood Education and Care Capacity Study. I trust that our feedback will assist in developing recommendations for Government.

³⁴ Family Day Care Australia, (March 2023), Family Day Care Educator Demographic Research. Unpublished report prepared for the Commonwealth Department of Education.

³⁵ Ibid; Family Day Care Australia, (February 2019), Attracting the next generation of family day care educators, prepared by Survey Matters.

³⁶ Family Day Care Australia, (March 2023), Family Day Care Educator Demographic Research. Unpublished report prepared for the Commonwealth Department of Education.

As we have emphasised numerous times herein, given its unique model and capabilities, family day care should be central to all recommendations seeking to improve affordability, choice and flexibility of ECEC available to families; similarly for strategies seeking to improve workforce participation of priority groups, access to non-standard hours ECEC, across regional, rural and remote Australia, and for specific cohorts of vulnerable and disadvantaged children and families and those with additional needs.

I would be happy to expand on any points raised in this submission, should you wish.

Yours faithfully

A handwritten signature in black ink, appearing to read 'AP', is positioned above the printed name.

Andrew Paterson
Chief Executive Officer
Family Day Care Australia