



NSW FAMILY DAY CARE
ASSOCIATION INC.

NSWFDCA Feedback on 'Draft Terms of Reference'



Thank you for the invitation to provide feedback

NSW Family Day Care Association has assessed the *Draft Terms of Reference*, with particular reference to:

- the capacity of the Family Day Care sector to participate in the review; and
- the capacity of the review to generate useful findings about Family Day Care affordability, accessibility and consumer choice as part of the wider NSW Early Childhood Education and Care sector.

Overall, we believe that the *Draft Terms of Reference* are too wide for an effective review to be undertaken and for useful recommendations to increase affordability, accessibility, and choice to be able to be generated.

There is also considerable duplication between the reviews being undertaken by the Australian Government (ACCC and Productivity Commission) and the proposed draft terms of reference. We believe it would be more administratively efficient and cause less stress on a sector which is already under immense pressure if any findings from the Federal Government reviews could be incorporated into the IPART Review without duplication.

Specific Comments on the *Draft Terms of Reference*

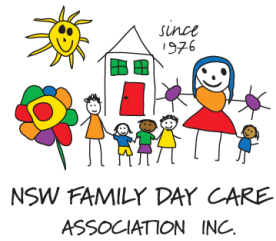
Task 1.

NSW Family Day Care Association believes this task will provide useful information for the Review.

Task 2.

We believe that this information is already available and needs to be collated only. The Australian Government has a complete database through the Child Care Subsidy System which could reveal the costs of all services that receive Child Care Subsidy on behalf of parents as well as subsidies and gap fees. Likewise, the NSW Department of Education has complete information about fees charged for other service types.

Any information IPART could collate to meet this term of reference would fall short of the totality of the information that already exists in State and Federal databases. Collating this information from education and care providers outside of these existing databases would unnecessarily increase the workload of services. The Australian Government could provide anonymised information from the Child Care Subsidy System to the NSW Government. If the Australian Government is unable to provide this information, a less comprehensive pricing review could be done by sourcing fees from the Starting Blocks website.



NSW Family Day Care Association would also like to pre-empt that unlike other service types, any one Family Day Care provider could have educators charging vastly differing fees within their service because of the differences in their input costs, including rent or mortgage costs. This makes ascertaining fees in particular locations particularly hard to determine.

Task 3.

NSW Family Day Care Association believes there that this term of reference will not contribute to enabling IPART to make useful recommendations to increase affordability, accessibility and choice in education and care.

Defacto benchmark fee figures already exist in the relevant hourly rate caps set under the Child Care Subsidy which covers all service types except for preschool.

There are so many variables that impact fees that setting up any benchmark prices is dangerous and misleading for the public.

The scope of the proposed benchmarking (costs for different children and family groups, geographies, service types and provider types) can already be seen to be inadequate given that, for example, two Family Day Care educators in the same suburb, serving the same child, could be forced to have a difference in fees of say \$4 per hour per child because of the differing costs of their rent/mortgage.

Task 4.

NSW Family Day Care Association believes that this term of reference is well defined.

Missing tasks

NSW Family Day Care Association believes that the review should also look at issues of:

- **how public policy decisions have impacted on service provision** over the last decade and the impact of these on affordability, accessibility and choice.

Family Day Care is a sector that has contracted in size dramatically over the last decade, primarily because of the removal of operational subsidies for services by the Australian Government.

As Family Day Care was previously able to provide education and care in regional and remote areas where other service types may have not been



viable this has impacted on accessibility and choice (and ultimately affordability).

- **the variance of quality between differently auspiced providers within the sector.** There is systemic evidence that not for profit or council run Family Day Care services provide higher quality education and care than other Family Day Care services and this needs to be teased out as to why.
- **the capacity of different service types to include children with high learning needs** which impacts on accessibility (and choice) for parents.
- **what service types of families would prefer, given a more responsive market.** We believe that access to Family Day Care is impeded by issues such as educator shortages and lack of funding for service providers.

Should the NSW Government be exploring the demand for differing service types and then take action to provide more support to the service types that families prefer?

With the continued expansion of centre-based services and the continual contraction of Family Day Care, will consumer choice be negated and are there policy measures that could be implemented to support the expansion or sustainability of family preferred service types?

- **the impact of workforce shortages on accessibility and choice.** There is no doubt this is the biggest issue restricting access to Family Day Care services at the moment.
- This should be a clear term of reference.

The issues IPART needs to take into consideration

This list is exceptionally wide. Although NSW Family Day Care Association believes these issues do need to be taken into consideration, these are also the very issues that we believe the Australian Government's Productivity Commission Review will also canvass.

The incorporation of the need to consider all these matters into the terms of reference shows the complexity of the issues the review seeks to examine. NSW Family Day Care Association is concerned that a review of this scope will put pressure on the sector to participate meaningfully whilst also stop IPART from giving each of these factors the consideration they deserve.