

Introduction

On behalf of the family day care sector, I appreciate the Committee's consideration of the three submissions made by Family Day Care Australia to date, and for the invitation to present as a witness today.

Family Day Care Australia is the national peak body for family day care. Our role is to represent, support and promote the family day care sector, to ensure its strength and continued growth, and to support the best possible outcomes for over 108,000 children and 75,000 families who rely on family day care. Family Day Care Australia represents a national membership of around 12,500 educators and 450 approved family day care services.

COVID-19 and the family day care sector: issues and policy responses

Through COVID-19 it has been widely acknowledged that family day care is the most agile early childhood education care type in supporting children, families, essential workers and the economy in the face of a social and economic crisis such as a pandemic. This is evidenced by sustained attendance throughout the peak of COVID-19.

The reasons for family day care's responsiveness are inherent in the fundamental structure of the service itself. For example:

- the "satellite" micro-business model is agile and responds to the localised needs of families and communities;
- family day care is conducted in small group settings in educators' approved residence, and therefore the risk of disease transmission is significantly less than larger centre-based models;
- families have stable, trusted relationships with their family day care educator. Educators have an intimate understanding of family circumstances and vice versa;
- the model caters for flexible sessions and non-standard hours care, including weekends and overnights, which is particularly important for essential front-line workers; and
- family day care also accommodates school-age children within the ratio requirements under the National Regulations.

However, as the Committee is aware, despite family day care being ideally placed to support children, families and the economy throughout COVID-19, the sector has faced significant challenges through the Australian Government's funding responses, as they were tailored primarily for a centre-based model, and in particular, larger conglomerates. They did not adequately account for the unique structural nature of family day care, nor sustained high attendance.

The challenges

For example:

- The ECEC Relief Package assumed a nationally linear COVID-19 trajectory and, as a 'blunt instrument' lacked the agility to respond to the high degree of variability of impact that was experienced in practice
- The Relief Package was designed as a viability safety net and the Exceptional Circumstances mechanism (designed to account for variances in demand) failed family day care.
- A significant cohort of educators were ineligible for JobKeeper, which was highly problematic as it was one of the two key pillars of the initial funding response. While FDCA advocated for, and was subsequently guaranteed, a "JobKeeper equivalent" payment for these educators, it became evident that this program also lacked responsiveness
- The combination of these factors with sustained high attendance, saw many in the sector suffer disproportionate detriment through the funding response.
- Additionally, the ECEC Relief Package did not account for the crucial function of the family day care service (that is to support and monitor educators) and in turn, did not account for the distinct difference in the variable costs structures of the family day care service when compared with our long day care counterparts.
- Furthermore, the Transition Payment funding arrangements that came into effect in mid-July, created conflicting legislation regarding educator eligibility for JobKeeper with an obligation imposed on family day care services in receipt of the funding to "take all reasonable steps" to ensure their educators were aware that under the Transition Payments Guidelines, they should no longer claim JobKeeper

The relative simplicity of how the various funding systems worked for centre-based services is at odds with the complexities of how it is applied to family day care. In relation to base relief payment disbursements to educators, some services grappled with the challenges involved in the equitable administration of this process, due to the complexity of varying educator fees, hours and levels of activity.

The failings of the system have generated immense financial and emotional distress for many family day care educators and services.

Furthermore, the ECEC Relief Package placed immense pressure on the educator/service relationship, which is a key underpinning of high quality service delivery.

Moving forward

It is evident that the importance of family day care needs to be better recognised, the intricacies of the model need to be better understood by policy decision makers, and support mechanisms must be more appropriately tailored to the model.

To address this question, what we are seeking is simple:

- improved levels of robust consultation on the specific detail of any funding support measures developed for the family day care sector by the Australian Government into the future;
- a dedicated family day care policy team embedded in the Department of Education, Skills and Employment to ensure the unique structural nature and policy context of family day care services is appropriately considered in future Commonwealth policy decisions concerning the sector.
- Removal of the condition on family day care services in receipt of the extended Transition Payment support in Victoria to allow their educators to apply for JobKeeper 2.0

Resilience of family day care

Despite the challenges I speak to today, the family day care sector remained highly resilient in the face of considerable adversity. I am incredibly proud to be a part of our sector - the continuity of education and care remained largely unbroken and our members worked collaboratively and professionally to provide for the diverse and continued needs of Australian children and families throughout the pandemic.

Although it has taken a 1 in a 100 year pandemic, the COVID-19 experience has demonstrated to governments:

- the unique capacity of the model to support children and families, in particular, in the context of emergency situations;
- how vitally important the sector is in supporting non-standard hours care; and
- that, in the event that there was another pandemic and centres had to be shut down, family day care would be the primary care type that could adequately respond.

Thank you.