



# Pre-Budget Submission 2022-23

January 2022

## Background

The In Home Care ('IHC') program sits within the Child Care Subsidy scheme, which falls within the Early Childhood Education and Care ('ECEC') portfolio of the Commonwealth Department of Education, Skills and Employment. The IHC program is accessible for families who are unable to access mainstream ECEC services and includes families working non-standard hours, those in regional and remote locations, and children or families who have complex needs such as disabilities or compromised immune systems or those in out of home care. Families must be approved by their State or Territory In Home Care Support Agency to gain access to the scheme and the number of places allocated to it are capped.

The threshold requirements to be met in order to access the scheme ensures that only those deemed eligible can access the Child Care Subsidy towards their fees and receive vital IHC services to support the needs of their children and family. These families are often vulnerable due to the fact that mainstream ECEC services are not accessible for them. Unfortunately, however, the funding attributed to the scheme makes IHC unaffordable for many families who meet the criteria, which results in their children going without crucial early childhood education at a time when they need it most.

At the height of the pandemic, IHC enabled essential workers to continue working, kept children and families with compromised immune systems safe from exposure to Covid-19, and continued to deliver early childhood education to children with disabilities and complex needs. However there was one caveat. After the free childcare package ended, it was only families who could afford the out of pocket fees that could continue with the program. This resulted in IHC being the only service type within the Child Care Subsidy that has seen a steady decline in utilisation since the free childcare package ceased. This was predominantly due to the fact that families who meet the criteria for IHC could simply not afford the out of pocket fees associated with it. These families are therefore excluded from the program that was created just for them.

On this basis, we have made recommendations in our submission that we are confident will remedy these issues and achieve:

- a) increased affordability so families can access IHC;
- b) a sustainable and appropriately remunerated workforce within IHC;
- c) learning and development outcomes for school aged children accessing IHC; and
- d) continued viability for the IHC sector.

## Hourly Cap

When IHC was brought into line with other forms of ECEC in 2018 with the introduction of the Child Care Subsidy, the calculation of the hourly cap for IHC did not take into account the true cost of service delivery; the challenges with Educator recruitment; and the comparative cost that families would pay if they could in fact access mainstream ECEC. The current hourly cap is insufficient to cover not only the costs of delivering IHC, but it also fails to consider the diverse circumstances and hours in which IHC is required. As a result, families accessing IHC are financially penalised for their inability to access mainstream services.

The comparative out of pocket fees for a family accessing mainstream ECEC is around one quarter of the cost of accessing IHC. By increasing the hourly cap for IHC, children will have equal access to early education and care so they are achieving educational outcomes in line with their peers who are fortunate enough to access mainstream services.

### **Recommendation**

We recommend that the hourly cap for IHC be examined in greater detail as part of the Child Care Subsidy review currently underway, with a goal of achieving a scaled hourly cap to accommodate families requiring care outside standard working hours.

However in the short term we recommend an increase of the hourly cap for IHC to **\$45.60 per hour from 1 July 2022**.

### **Outcomes**

Implementing this recommendation will achieve the following outcomes:

- a) increased engagement of parents and carers in the workforce;
- b) increased access to early education and care for children eligible for IHC; and
- c) increased wages for Educators working in IHC.

### **Workforce**

The entire ECEC sector is facing challenges recruiting enough Educators to meet demand. The IHC sector is even more vulnerable to these challenges due to insecure work, non-standard hours of work, and the fact that Educators require sufficient skills and experience to handle unpredictable and challenging situations on their own. The low hourly cap also restricts the fees and wages that Educators can receive, which disadvantages IHC providers who are competing with mainstream ECEC services for candidate attraction where Educators often have opportunities for more secure work.

### **Recommendation**

An increase to the hourly cap to enable service providers to pay Educators higher fees and wages.

### **Outcomes**

Implementing this recommendation will achieve the following outcomes:

- a) increased wages for Educators working in IHC;
- b) increased access for families who are eligible to access IHC but are currently sitting on long waitlists; and
- c) sustainable pipeline of Educators to IHC.

### **Qualifications**

Although the IHC scheme provides access to children who are not yet attending formal schooling, many children who access the scheme are of school age and often have complex needs. For this reason, we believe that the requirements for Educators to hold an ECEC qualification is not only restrictive, but does not appropriately meet the needs of the children and families that are eligible for IHC.

In order to address this issue we recommend that the qualifications enabling people to work in IHC be expanded to match the demographics of the children and families that are granted access to the scheme.

## **Recommendations**

Expand the approved qualifications to work within IHC to include:

1. working towards a University qualification in primary teaching;
2. attainment of a disability or youth work qualification; and
3. working towards a University qualification in allied health.

## **Outcomes**

Implementing these recommendations will achieve the following outcomes:

- a) the learning and development needs of school aged children accessing IHC will be more appropriately met; and
- b) increased access for families who are eligible to access IHC but are currently sitting on long waitlists.

## **Conclusion**

We make these recommendations in the best interests of the families and children who require the services that IHC provides, and on behalf of our members, whose continued viability is dependent upon the above recommendations being adopted by Government.

Without these changes we are gravely concerned about families who are precluded from IHC due to cost, as well as those who will be left in the dark if the scheme were to remain in its current form. We are concerned about the ongoing financial viability of service providers and believe that if the hourly cap is not appropriately revised many service providers will leave the sector and there will be insufficient numbers of providers available to deliver the vital support that IHC offers to vulnerable and disadvantaged families.

## **About the Australian Home Childcare Association**

The Australian Home Childcare Association is a voluntary, not for profit, peak body representing the interests of approved providers of In Home Care. Run entirely by employees, business owners and contractors who work for IHC Providers, they volunteer and dedicate their time to advance the interests of children and families who are eligible for IHC.