



# Childcare Inquiry Roundtable Summary

## **In Home Care**

22 September 2023

This document is not a verbatim record of the forum but a summary of the issues raised by forum attendees.

The views and opinions expressed are those of the attendees and do not reflect the ACCC's views or position on the issues summarised here.

# Introduction

On 28 October 2022 the Treasurer, the Hon. Jim Chalmers MP, directed the ACCC to conduct a price inquiry into the market for the supply of childcare services (the Inquiry).

The ACCC carried out a wide range of outreach and information gathering activities for the Inquiry. These activities included roundtables with invited stakeholders from the following groups: Educators, Culturally and Linguistically Diverse peak bodies, providers and community groups, Childcare Providers, Parents and Guardians, First Nations families, communities, and other stakeholders, and In Home Care.

This document provides a summary of issues discussed and raised during the In Home Care Roundtable, held virtually on Friday 22 September 2023.

Approximately 20 interested parties attended, comprising of those who are involved in delivery and utilisation of in home care, and representative bodies who advocate for the cohorts the In Home Care program is designed to cater for.

ACCC Commissioner Peter Crone chaired the roundtable, supported by Sarah Proudfoot, Executive General Manager of the ACCC's Infrastructure Division and other ACCC staff.

In this summary individual participants and organisations are de-identified.

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## Summary of issues

Attendees discussed the following topics.

### Options available for parents/guardians of children with disability or complex needs, parents/guardians who work non-standard hours or are geographically isolated

#### **Availability of choice**

- The in home care scheme is designed to provide childcare options for families unable to access mainstream childcare services. By its design, in home care is exclusionary, and for many families wanting to utilise childcare it does not offer a solution or additional choice. This means that the families falling within the cohorts that in home care is designed to service are not afforded the same childcare options as those who can access mainstream childcare services.
- In order for in home care to be a true option for families unable to access mainstream childcare, the program must be available, affordable and accessible for all eligible households, and there should be sufficient choice for these households. Currently, the program is not functionally set up to achieve its policy objectives.
- The rules and regulations that apply to the scheme are interpreted differently across states and territories. This can make it difficult and confusing for families to navigate. It can also have an impact on the willingness of educators to move across state and territory borders.

- Families with multiple births (such as triplets) are not automatically eligible for the program. Determinations are frequently made that this circumstance alone does not fit within the category of 'complex needs' when undergoing eligibility assessment. This is despite families with multiple births often being unable to access mainstream childcare options due to unavailability of multiple childcare places at a single centre, or even across multiple centres.
- Families with children with disability have difficulty accessing suitable in home care. Children under 5 years old typically cannot access National Disability Insurance Scheme (NDIS) funding, and so will rely on the in home care sector for support. As a result, it is challenging to find childcare educators with the necessary skills to meet the family's needs. Many families with children with disability are isolated, so the barriers to mainstream childcare further isolates them and delays access to care.
- In home care is often not a viable option for geographically isolated families as the expenses these families incur are so much more than just the fees the services charge. Often remote families will also have to provide housing, amenities and food for their educators.
- In addition, for households in remote locations, primary school aged children participating in distance education are ineligible to receive subsidised care under the in home care scheme when they are attending school. In home care educators are therefore unable to work during these school hours, resulting in parents or guardians needing to return home from work to supervise children or leave children unsupervised.
- Families requiring in home care for longer than 8 hours, or for non-standard hours (overnight or weekends) such as those working shift work, face difficulties as providers need to cover the cost of penalty rates for educators. These families would benefit from access to a higher hourly cap.
- The program is not set up to effectively support families or address individual needs. The program should be expanded to enable those with qualifications in other fields such as disability care to work as an in home care educator. Under current restrictions, it is hard for service providers to offer services meeting all individualised needs.
- Increases to the hourly rate cap to adequately cover wages relevant to educator's skills is required, and consideration is needed around service provider viability. Families often end up wearing costs such as travel and additional supports.
- Whilst care is an important component of the in home care program, equal access to and participation in education is also critical for children.

## **Level of competition within the in home care sector**

- There has been a rapid decline in the number of in home care service providers since 2018 as it is not a viable business to run, resulting in little competition in the market.
- In some states there are multiple service providers, however few can operate in remote areas because it is unaffordable to travel and work remotely. The current travel reimbursements offered do not sufficiently cover staff time, meals and accommodation.
- Some Support Agencies also run in home care services which can create conflicts of interest. Many providers are unable to offer services to families in certain jurisdictions, and Support Agencies may self-refer households assessed as eligible for in home care first.
- Educators can be employed under a contract or an employment model. Under an employment model, providers cover costs such as payroll tax, superannuation, insurance,

and professional development, which are reflected in the fees charged to families. This framework is inhibiting competition in the market where employee-style service providers, who are covering the additional costs mentioned above as well as penalty rates, cannot compete against contractor employment models.

- Some service providers resort to referring households to contract-style in home care providers where educators may be cheaper for families to engage on weekends.

## Barriers to access for parents/guardians

### Barriers faced by parents and guardians

- There are significant out-of-pocket costs for geographically isolated households using in home care when compared to fees for centre based day care. In addition to wages, these families also bear the hidden costs of providing accommodation, transport and food for educators.
- There is enormous competition amongst families to attract educators who directly advertise their services. This is felt particularly strongly in geographically isolated areas where the educator workforce may be transitory, for example young people seeking remote living experiences working as in home care educators during a gap year upon completing school.
- Children with disability are often turned away from mainstream childcare services as their needs outweigh the capacity of services to provide appropriate care, however in home care is not an affordable alternative for these parents and guardians.
- Households with twins and triplets pay substantially more for childcare in early years. The July 2023 Child Care Subsidy increase has not helped these households, with many parents and guardians with multiple births paying more now than before these changes were brought in.
- Support Agencies seek to minimise eligible hours for households meaning there is little ability to adjust hours, for example a parent or guardian receiving chemotherapy may only be eligible for in home care during treatment, however interpretation of guidelines does not accommodate using hours for recovery after treatment.

### Affordability of in home care for parents and guardians

- Increasing affordability of the scheme and increasing access to additional hours of care for families would help markedly. It would also enable educators to be fairly remunerated for their work, which is often outside of standard working hours.
- Families working non-standard hours should have a higher hourly rate cap to close the out-of-pocket gap fees and facilitate appropriate wages for educators working non-standard hours themselves.

### In home care policy settings

- To achieve the policy objectives of the in home care program, better collaboration and communication is needed across areas of government and the sector. Families find it challenging having to engage with multiple entities to receive childcare and access the Child Care Subsidy, Additional Child Care Subsidy and wrap around supports.

- The program should be expanded to recognise it is not solely about education but also about day-to-day functioning and supporting households to provide proper care and attention to children, particularly those in larger households with more children.
- The language used in the applications for Additional Child Care Subsidy is inflammatory and inappropriate. For example, individuals who have experienced domestic violence are required to put their case in writing, which is harmful and a barrier to access.
- The childcare assessment team set up under the previous scheme was beneficial throughout the Additional Child Care Subsidy application process.

## Challenges facing In Home Care providers

### **Educator qualification requirements**

- Healthy regulation and compliance is crucial to delivering good outcomes and ensuring providers want to operate in this sector. Providers manage unique situations, such as caring for children who are tube fed. Such families are eligible to receive in home care, but conversely would not be able to access care under the NDIS unless that provider met all requirements under the NDIS standards.
- There are many experienced Australian nannies who are not Certificate III in Early Childhood Education and Care qualified, however would provide high-quality in home care as part of the program. If qualifications were expanded, this would help to address unmet demand in this market.
- The transitional provisions which relax the qualification requirements for educators in remote areas are due to expire on 31 December. This is concerning and creates uncertainty for educators, providers and families.

### **Profitability**

- This sector is not lucrative. In home care providers offer services for love of the work and care for households they support.
- There is no way to viably grow in home care services. Many providers are just hanging on and continue offering in home care services while they await the finalisation of the review being undertaken into the in home care program by the Department of Education.
- Many providers cross-subsidise their in home care operations, with NDIS funds and private revenue supporting the in home care work stream.
- Operating under the NDIS gives better margins. As a result, many providers focus attention on their NDIS services, because the same skilled workforce can be attracted for a higher value product. This unfortunately results in losing quality educator expertise in supporting children in complex circumstances to the NDIS sector, or leaving the childcare industry altogether.

### **Effect of regulatory requirements on service provider viability**

- Peak body funding is needed and would facilitate better connection across the sector, including delivery of support and communications to membership, direct engagement with educators and bringing the sector together at a national event. Currently, engagement is driven by time-poor volunteers.
- The in home care guidelines do not clearly outline where a support network for educators fits, resulting in service providers funding professional development and support

networks. There should be a national offering of professional development sitting under one entity to promote consistency, quality and opportunity.

- Some providers report to Support Agencies based in another state, causing confusion for families and increasing workloads for service providers. Providers bear a significant administrative burden including assisting with Additional Child Care Subsidy applications, which were intended to be prepared by Support Agencies.
- The eligibility assessment process is slow, resulting in providers offering care before households are approved as qualified. Similarly, some families seeking urgent in home care, for example during recovery from serious acute medical procedures, are turned away by Support Agencies due to lengthy review processes. This increases household's reliance on informal support to manage such situations.
- Insufficient reasons for decisions are given by Support Agencies to families and further training around administrative decision making to support case workers should be considered.
- Different regulations in place in South Australia and Tasmania for service providers to operate in these states creates additional barriers to expand services.
- The software program in home care providers must use does not suit the program.

## Workforce issues

- In home care educators tend to be very passionate about their job.
- In cases where there are multiple children with high needs there is a risk of educators burning out, as the needs are far beyond what an educator is qualified for.
- Some educators begin their career as in home care educators and move onto NDIS support work or nursing to continue upskilling and further their education and development.
- Families need greater choice and input into hiring an educator, as finding a suitable educator is largely about who works well for the household and fits into the family life, not just about the qualification.
- Educators working in the in home care sector require high emotional intelligence. The ability to fit into a family's household and life and provide an extremely high level of care are important. These skill sets are not taught as part of the qualification.

## Monetary and non-monetary incentives to promote educator attraction and retention

- The Children's Services Award rates are not appropriate and should not apply to this sector. It is hard to compete with NDIS services on wages under the current framework.
- In home care educators are undertaking very complex and challenging work. It is difficult to compete on pay for quality educators who could earn more as a room leader in a centre based day care centre.
- Educators are often only offered short and ad-hoc shifts, which discourages quality educator attraction.
- Some educators and service providers take on the additional cost of purchasing supplies and resources to educate children.

- Appropriate resources and supports are needed, including opportunities to form networks and connections with fellow in home care educators. Support from providers is also important, including visiting during shifts and providing professional development.
- Robust educational opportunities to support upskilling are important. Professional development during paid work time would likely support educator retention.
- The placement hours required to be completed as part of the Certificate III in Early Childhood Education and Care takes educators away from families for some weeks and is low or unpaid work.
- A national awards system for the in home care sector would likely go a long way towards recognition and value of these educators.
- Job security is important, particularly for those moving from a centre based day care setting to in home care who have changed from a permanent to casual role. Further, for educators working with households receiving the Additional Child Care Subsidy, during the first 6 weeks of in home care when a household is approved for care, they may subsequently decide it is not for them resulting in loss of work for the educator. This is a barrier to staff retention.
- Many educators fund their own Working With Children Checks, Police Checks, First Aid courses or renewal of these requirements and may be unaware they can claim these as tax deductions.