

Recommendations for a revised In Home Care / Home Based Care model

Australian Home Childcare Association (AHCA) provides the following recommendations for a revised In Home Care (IHC) / Home Based Care Programme having considered feedback from our member organisations (current In-Home Care providers, Nanny Pilot providers and private nanny service providers).

Suggested figures are provided based on employment of educators by the service. AHCA believe the legal employment of educators to be the more prudent and certain model for the home-based care sector.

In this model services are liable to pay penalty rates and shift loadings according to applicable wage awards. In addition to this, the service is also liable for on-costs such as superannuation, work cover and insurances. Example penalty rates include 1.5 times wages on a Saturday, and an example shift loading is an “evening shift” loading of 15%.

Childcare Subsidy (CCS):

In terms of hourly cost of service, it is reasonable to compare In Home Care to other like services such as the National Disability Insurance Scheme (NDIS) and Home Care for the elderly. Given In Home Care is an approved service under the government’s Early Education and Care Department, AHCA understands that the applicable CCS rate must also be reasonably comparable to other service types such as Long Day Care (LDC) and Family Day Care (FDC).

Examination of the CCS proposed for other service types indicates the maximum subsidy being offered is more than 85% of a generously estimated hourly fee for each service type. Therefore, the actual maximum CCS payable would be 85% of the fee, \$8.50/hour in each case presented below.

Service Type	Proposed Fee Cap (\$/hour)	Highest subsidy available -85% (\$/hour)	Estimated hourly cost (\$/hour)
Long Day Care	11.55	9.82	10 (\$120/day for 12 hour centre)
Family Day Care	10.7	9.10	10

If the same principal is applied to In Home Care and we consider an example hourly cost of \$35/hour during standard hours, then a proposed CCS fee cap which equates to 85% of the fee charged is \$29.75/ hour.

AHCA recognises the substantial discrepancy between this and the rates proposed for LDC and FDC. AHCA also recognises that IHC is generally charged per family, rather than per child.

Currently IHC is eligible for 133% of the Childcare Benefit rate for LDC. Therefore, AHCA proposes that the same principal is applied the CCS fee cap for IHC be set at \$15.39/hour.

It is notable that a parent of just one child, who has no choice but to use In Home Care, is significantly disadvantaged by higher service costs as compared to those parents who are able to access FDC and LDC.

It is also notable that due to the per family nature of In Home Care, it is difficult to compare subsidy rates with other service types. It would be instead sensible to link the CCS paid to the placement to the cost of legal employment of an In Home Care Educator.

Given that In Home Care often services families outside of standard hours, when penalty rates are applicable to be paid to educators, if the CCS was linked to a wage award, several fee caps may be required. In the current programme, parents are able to access out-side of hours' services at a reasonable (although higher) cost, as the Childcare Rebate is payable on 50% of on the out-of-pocket cost. Under the new system, with a flat rate, the set rate of payment poses a disadvantage for these parents. AHCA therefore recommends that a "non-standard" hours CCS be considered for children accessing In Home Care outside of standard service hours.

Activity Test:

Families who meet the In Home Care eligibility criteria should be exempt from the Activity Test.

Additional Childcare Subsidy – Child Wellbeing:

AHCA recommends the ACCS – Child Wellbeing be paid as 100% of the charged fee up to a fixed cap of \$70/hour for standard hours of service and \$120/hour for non-standard hours of service.

This recommendation is made in the interests of the child receiving care.

It is considered that the ACCS level of 120% of the fee cap is highly likely to meet the full fee for LDC and FDC services.

It is also noted that in situations where a Child Wellbeing payment is required, any gap fee may be prohibitive to that child receiving care.

Additional Childcare Subsidy (ACCS)– Temporary Financial Hardship

AHCA recommends the ACCS – Temporary Financial Hardship be paid as 100% of the charged fee up to a fixed cap of \$70/hour for standard hours of service and \$120/hour for non-standard hours of service.

Grandparent Additional Childcare Subsidy

AHCA recommends the Grandparent ACCS be paid as 100% of the charged fee up to a fixed cap of \$70/hour for standard hours of service and \$120/hour for non-standard hours of service.

Additional Childcare Subsidy – Transition to Work

AHCA recommends the Additional Childcare Subsidy – Transition to Work be paid as 95% of the charged fee up to a fixed cap of \$70/hour for standard hours and \$120/hour for non-standard hours of service.

AHCA recommends this subsidy is only to be made available to families who meet the activity test requirements in addition to the In Home Care eligibility criteria.

Eligibility Criteria:

AHCA suggest that at this time of transition the current eligibility criteria remain, with the intention to revise in the near future.

Transition:

Automatic approval for current providers.

Current providers, who have a strong record of compliance spanning 15 years, have faced significant uncertainty in that past two years. This has resulted in services pre-emptively closing and families being left without care. AHCA suggests to provide some certainty for these providers and the families who use the programme, automatic approval should be granted.

- Continue capped system for 12 months and then reassess.
- Pro rata reallocation of places currently sitting with the government with priority to services who currently have high utilisation.

Other recommendations:

- A designated department contact in each state or in Canberra who is able to provide correct and clear information to service providers.
- Provide new program design and framework with 12 months' notice to service providers to ensure business decisions can be made with sufficient time. Service providers have expressed concerns – for example unsure whether to renew building leases.

Future recommendation: If the government wishes to expand Home Based Care

- Reassessment of In-Home Care cap and expansion of the programme.
- A second stream of Home Based Care, which is not capped, does not have the eligibility criteria, but is subject to the Activity Test. AHCA suggest the CCS fee cap for the stream be set at least the same level as for FDC
- A stream of the National Quality Framework be designed to maintain and monitor quality education and care in the home.