



FAMILY DAY CARE AUSTRALIA

FAMILY DAY CARE SECTOR PROFILE

DECEMBER 2018



Table of Contents

1. Overview	3
1.1 About Family Day Care Australia	3
<hr/>	
2. State of the Sector	4
2.1 Educator Member Numbers	5
2.2 Educator Age	6
2.3 Service Member Numbers	8
<hr/>	
3. Location	9
3.1 Remoteness Area	9
- Educator members	9
- Service members	10
3.2 Socio-economic Disadvantage	11
- Educator members	11
- Service members	12
<hr/>	
4. Service Quality Rating	13
4.1 Overall Quality Rating	13
4.2 Quality Area Rating	15
<hr/>	

1. Overview

This report is Family Day Care Australia's (FDCA) ninth quarterly report profiling the family day care sector.¹

The report consolidates and analyses a number of data sources (including FDCA internal member data² as well as data from the Australian Children's Education and Care Quality Authority and Australian Bureau of Statistics) to provide ongoing insight into the nature of the family day care sector.

The report provides information and analysis relating to the general profile of the family day care sector, the location of educators and services by remoteness area and socio-economic disadvantage, educators' age and services' National Quality Standard (NQS) quality ratings.³

Information in this report is presented from the December 2017 quarter to the December 2018 quarter, however the primary focus of the analysis relates to the changes between the September 2018 quarter and the December 2018 quarter.



1.1 About Family Day Care Australia

FDCA is an apolitical, independent, not for profit, national member association representing family day care educators and approved family day care services.

Our mission is to represent, support and promote the family day care sector in delivering high quality early childhood education and care to more Australian children. For more information about FDCA go to familydaycare.com.au

¹ All FDCA Family Day Care Sector Profile reports can be accessed at <http://www.familydaycare.com.au/representing-you/sector-profile>

² All FDCA data provided within this report is presented in line with FDCA's Privacy Policy.

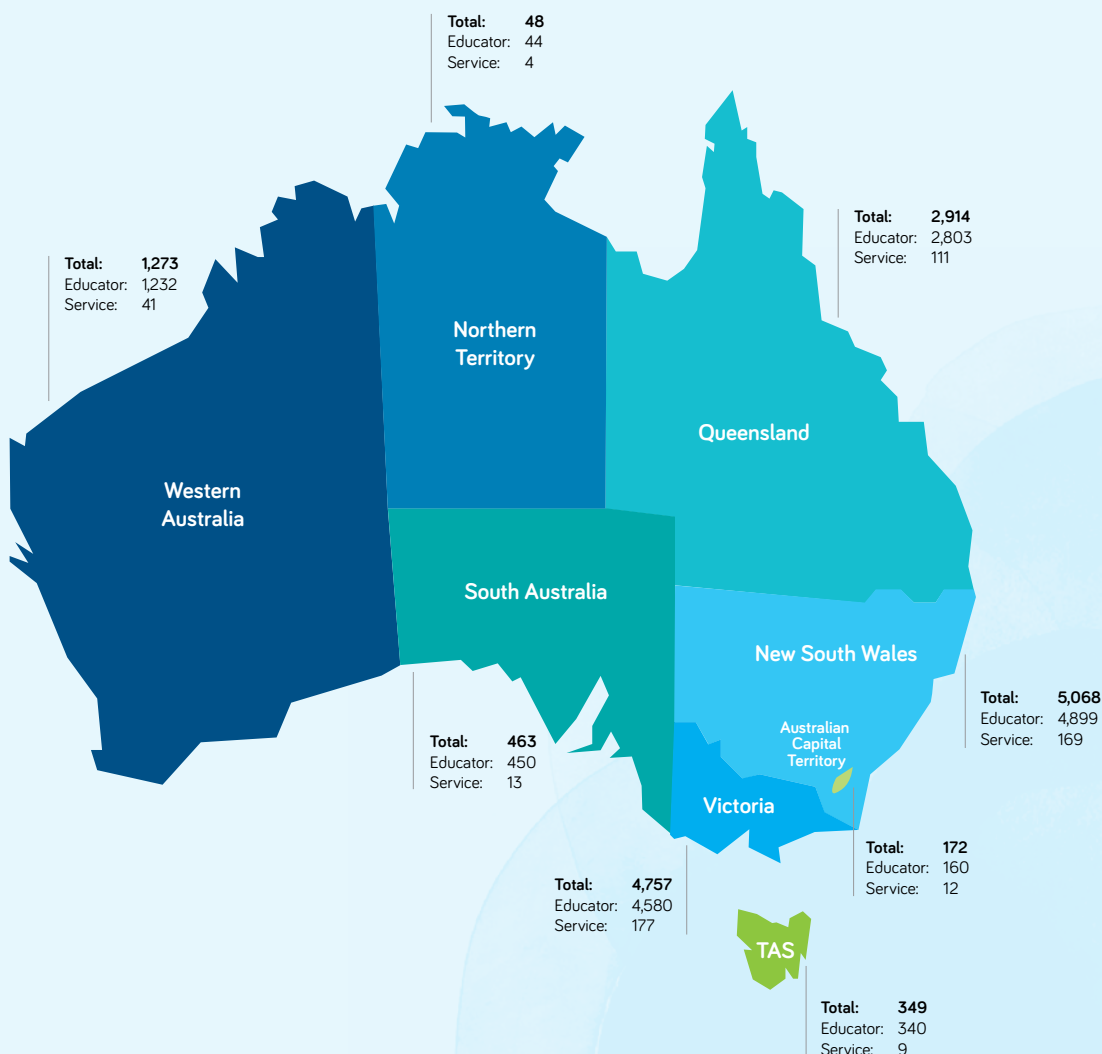
³ Due to rounding, individual percentages in the tables and figures may not add up to 100%.

2. State of the Sector

Figure 1 below presents the number of FDCA members, both services and educators, by state and territory. As at 31 December 2018, the total number of family day care services and educators is 536 and 14,508 respectively.

Victoria and New South Wales are the states with the largest family day care communities as shown in Figure 1 below. Victoria retains the largest number of services (177), however New South Wales reports the largest number of educators (4,899). The Northern Territory remains the smallest family day care community with 4 services and 44 educators.

FIGURE 1: NUMBER OF CURRENT FDCA MEMBERS AS AT 31 DECEMBER 2018.



2.1 Educator Member Numbers

Table 1 below provides a breakdown of family day care educator members by state and territory from 31 December 2017 to 31 December 2018.

New South Wales, Victoria and Queensland continue to retain the largest proportion of family day care educator members, representing 84.7% of total educator members across the three states. This proportion is virtually unchanged from the previous reporting period.

Over the last quarter from September 2018 to December 2018, there continued to be a decrease in total numbers of educator members nationally (5%), as well as declines of varying magnitudes across all states and territories. This is consistent with the general downward trend since 2016, however it represents a slightly smaller decrease than noted in the September 2018 Sector Profile report (7.4%). The greatest proportional decrease in educator numbers in the last quarter occurred in Victoria (8.1%) with a decline of 402 educators. The next largest proportional decreases occurred in the Northern Territory (6.4%), although the actual numbers were small (n=3), followed by Western Australia (5.9%) and Tasmania (5%), with declines of 77 and 18 educators respectively.

This continued downward trend in educator numbers is deeply concerning to FDCA. We are now more than six months past the commencement of the Child Care Package, which provided a more robust compliance framework around the Family Assistance legislation associated with the ECEC sector. Anecdotal evidence from FDCA members suggests that the ongoing decreases in family day care educator and service numbers do not just reflect attrition resulting from the introduction of the Child Care Package and concerted compliance enforcement activities by both Commonwealth and state and territory regulators, but also that legitimate providers are exiting the sector due to the impact of a burdensome regulatory regime.

TABLE 1: EDUCATOR MEMBER NUMBERS BY STATE AND TERRITORY FROM 31 DECEMBER 2017 TO 31 DECEMBER 2018.

State	Dec-17	Mar-18	Jun-18	Sept-18	Dec-18
Queensland	3,256	3,175	3,031	2,885	2,803
New South Wales	5,829	5,621	5,289	5,069	4,899
Australian Capital Territory	185	1,71	167	159	160
Victoria	6,718	6,421	5,702	4,982	4,580
Tasmania	391	377	359	358	340
South Australia	584	543	497	461	450
Western Australia	1,525	1,475	1,403	1,309	1,232
Northern Territory	53	51	50	47	44
Total	18,541	17,834	16,498	15,270	14,508

2.2 Educator Age

The age distribution of educator members from 31 December 2017 to 31 December 2018 is depicted in Table 2 and Figure 2 below.

As at 31 December 2018, the age groups with the highest proportion of educator members remain the 35-39 age bracket (15.3% of all educator members), the 40-44 age group (16.2%) and the 45-49 age group (15.9%), showing little variation from the last quarter. After the age of 50, numbers of educators in each age bracket continue to decline rapidly, with educators aged 65+ representing only 2.5% of educators nationally.

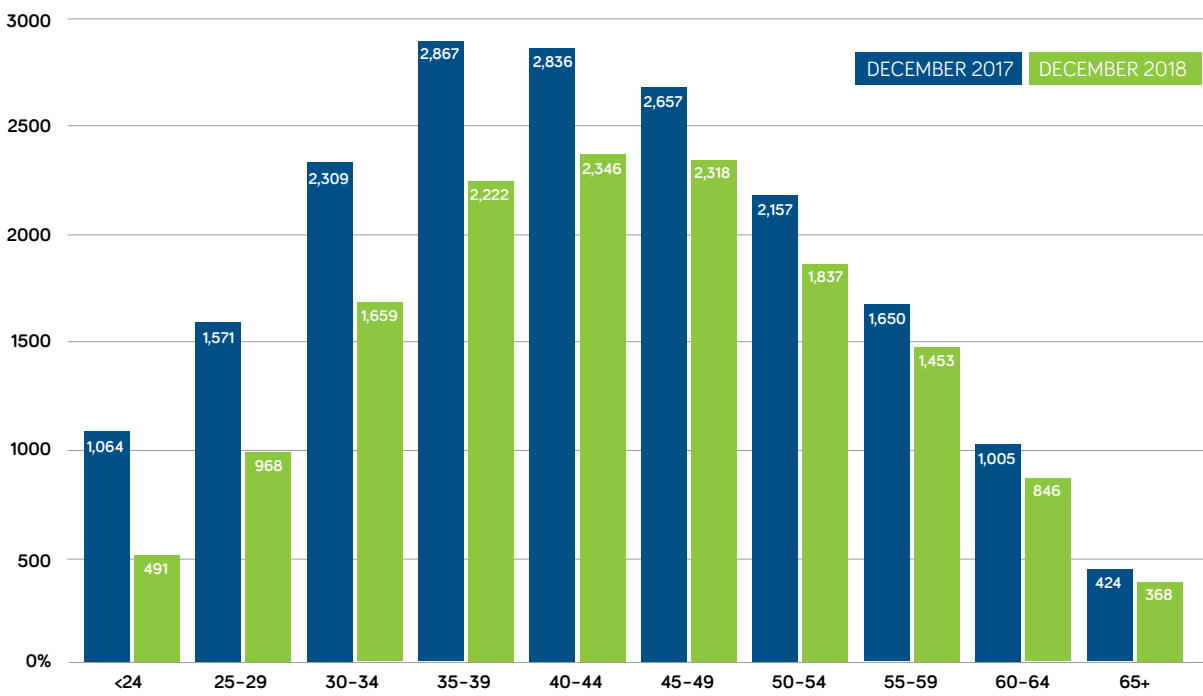
Over the past quarter from September 2018 to December 2018, there has been a decrease in numbers in all educator age brackets, with the exception of the 65+ age range where numbers increased very slightly (n=4). The three largest proportional decreases occurred in the <24 age group (18.2%), the 30-34 age group (7.4%), and the 25-29 age bracket (6.9%).

TABLE 2: EDUCATOR MEMBER NUMBERS BY AGE FROM 31 DECEMBER 2017 TO 31 DECEMBER 2018.

Age	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18
<24	1,064	941	776	600	491
25-29	1,571	1,444	1,228	1,040	968
30-34	2,309	2,241	2,030	1,791	1,659
35-39	2,867	2,737	2,534	2,373	2,222
40-44	2,836	2,775	2,577	2,461	2,346
45-49	2,657	2,620	2,523	2,380	2,318
50-54	2,157	2,102	1,967	1,904	1,837
55-59	1,650	1,605	1,551	1,475	1,453
60-64	1,005	970	936	882	846
65+	424	398	376	364	368
Not Available	1	1	0	0	0
Total	18,541	17,834	16,498	15,270	14,508



FIGURE 2: EDUCATOR MEMBER NUMBERS BY AGE AT 30 SEPTEMBER 2017 TO 31 DECEMBER 2018.



2.3 Service Member Numbers

Table 3 below shows a breakdown of the total number of family day care service members by state and territory from 31 December 2017 to 31 December 2018.⁴

Over the last quarter, from 30 September 2018 to 31 December 2018, total service member numbers declined by 5.5%. This compares with a 7% decrease in the previous reporting period. The largest proportional decrease in service numbers occurred in Victoria with a decline of 13.2%, or 27 services. The next largest decline occurred in South Australia where the number of services declined by 7.1%, although the number was small (n=1). In the same time period, service numbers in New South Wales decreased slightly (2.3%) while in Queensland, the Australian Capital Territory, Tasmania, and the Northern Territory numbers remained stable over the past quarter. By contrast, in Western Australia, service member numbers increased by 1 service or 2.5% since the last quarterly report.

TABLE 3: SERVICE MEMBER NUMBERS BY STATE AND TERRITORY FROM 31 DECEMBER 2017 TO 31 DECEMBER 2018.

State	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18
Queensland	118	119	116	111	111
New South Wales	194	192	182	173	169
Australian Capital Territory	18	16	14	12	12
Victoria	286	255	229	204	177
Tasmania	12	11	10	9	9
South Australia	15	16	14	14	13
Western Australia	41	40	41	40	41
Northern Territory	4	4	4	4	4
Total	688	653	610	567	536

⁴ Please note: at the time of reporting FDCA service members may be at different stages in the approvals process, i.e. not all FDCA service members have a final service approval or Child Care Subsidy (CCS) approval.

3. Location

3.1 Remoteness Area

Educator members

Table 4 below provides a breakdown of educator members' location by remoteness area from 31 December 2017 to 31 December 2018.⁵

The number of educators in all remoteness categories declined between the end of September 2018 and end of December 2018. The largest proportional declines over this reporting period occurred in the remote areas of Australia, with a 15% decrease in educator member numbers within the *Very Remote Australia* category, and a 10.5% decline in educators operating in *Remote Australia*, although the drop in actual numbers was very slight in both instances, as can be seen below. The *Major Cities* category showed the largest decline in actual educator numbers (n=639), representing a proportional decrease of 5.5% since the last quarter. The number of educators in *Inner Regional* and *Outer Regional* areas also saw small decreases of 3.6% and 1.8% respectively.

Despite the 5% decrease in total educator member numbers since the previous quarter, and some downward movement in most categories, the remoteness profile of the family day care sector has not changed significantly. The vast majority (76.2%) of educators continued to reside within the *Major Cities of Australia*, largely unchanged from the previous reporting period (76.6%). The overall percentage of educators residing in *Inner Regional* and *Outer Regional* areas (23%) remained essentially the same as at the end of September 2018 (22.5%), and the share of educators residing in *Remote Australia* and *Very Remote Australia* showed a slight change at 0.8%.

TABLE 4: EDUCATOR MEMBER NUMBERS BY REMOTENESS AREA FROM 31 DECEMBER 2017 TO 31 DECEMBER 2018.

Remoteness Area	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18
Major Cities of Australia	14,457	13,984	12,870	11,701	11,062
Inner Regional Australia	2,838	2,646	2,505	2,447	2,359
Outer Regional Australia	1,090	1,067	992	992	974
Remote Australia	110	113	112	105	94
Very Remote Australia	22	21	18	20	17
Not Available	24	3	1	5	2
Total	18,541	17,834	16,498	15,270	14,508

⁵ ABS catalogue 1270.055.005 - Australian Statistical Geography Standard (ASGS): Volume 5 - Remoteness Structure, July 2016, released 16.3.2018

Service members

Service member distribution by remoteness area from 31 December 2017 to 31 December 2018 is presented in Table 5 below.⁶

The general downward trend in service member numbers in the *Major Cities of Australia* slowed a little over the last quarter, showing a decline of 25 services (5.9%) since September 2018. This compares to a 9.4% decrease in the previous quarter. Otherwise there was minimal or no variation in numbers of services located in regional and remote areas since the September 2018 Sector Profile report.

Since the end of September 2018 there has been little change in the percentage of services located in *Major Cities of Australia*, currently representing 74.4% of all services, whereas the proportion of services located in regional or remote areas has continued to increase slightly, now corresponding to 25.5% of total service members, up from the previous quarter (24.7%).

TABLE 5: SERVICE MEMBER NUMBERS BY REMOTENESS AREA FROM 31 DECEMBER 2017 TO 31 DECEMBER 2018.

Remoteness Area	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18
Major Cities of Australia	539	510	468	424	399
Inner Regional Australia	92	88	88	87	83
Outer Regional Australia	49	49	47	46	47
Remote Australia	5	4	5	5	5
Very Remote Australia	2	2	2	2	2
Not Available	1	0	0	3	0
Total	688	653	610	567	536

⁶ ABS catalogue 1270.055.005 - Australian Statistical Geography Standard (ASGS): Volume 5 - Remoteness Structure, July 2016, released 16.3.2018



3.2 Socio-economic Disadvantage

Educator members

Table 6 below illustrates the distribution of educator members by area of relative socio-economic disadvantage from 31 December 2017 to 31 December 2018.⁷

The family day care sector continues to provide much needed early childhood education and care for Australian children in areas of high disadvantage, with 23.3% of educators nationally residing in decile 1 and 2 areas (representing the two areas of highest socio-economic disadvantage) and over half (51.7%) of all educator members located in areas ranked within the first five deciles of highest socio-economic disadvantage. These proportions are virtually unchanged from the previous quarter.

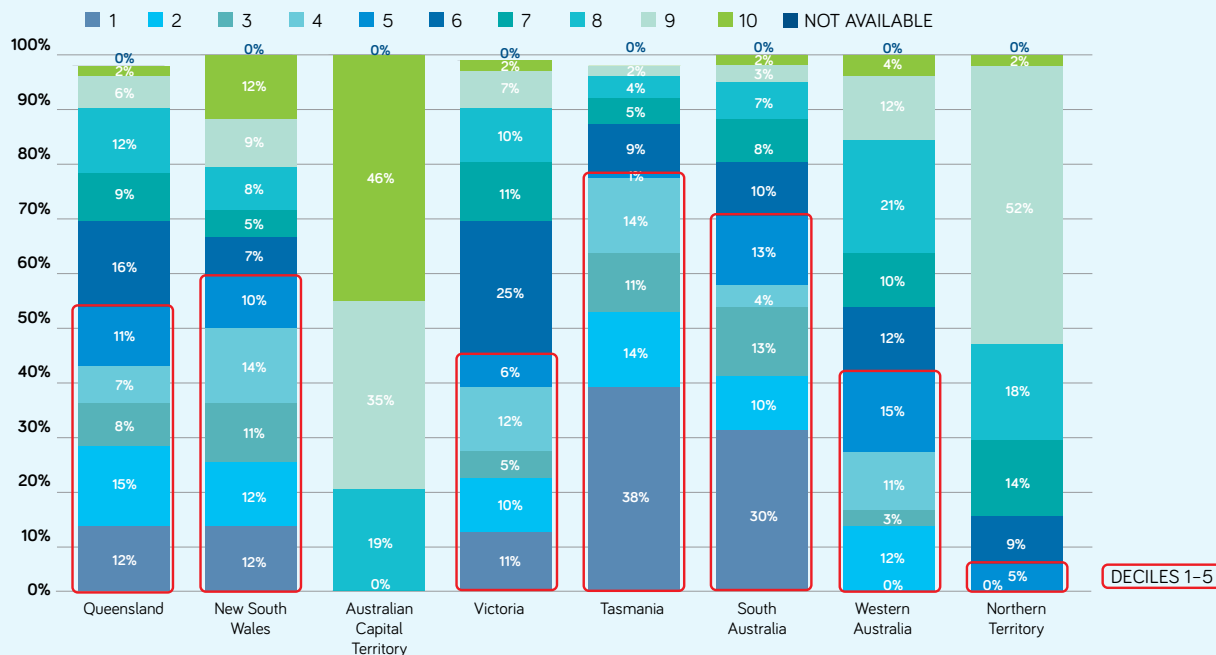
Figure 3 below shows the variation in distribution across states and territories. The states with the largest proportions of educators located in areas ranked within the first 5 deciles of relative socio-economic disadvantage are Tasmania (79.4%), South Australia (70.9%), New South Wales (58.9%) and Queensland (53.4%), with Victoria sitting at 44.5%. These proportions are similar to the previous quarter, despite small movements in actual member numbers nationally. Tasmania is the state with the highest percentage of its educators located in areas ranked as decile 1 locations (area of highest socio-economic disadvantage) at 37.9%, with South Australia not far behind at 30.4%.

TABLE 6: EDUCATOR MEMBER NUMBERS BY RELATIVE SOCIO-ECONOMIC DISADVANTAGE FROM 31 DECEMBER 2017 TO 31 DECEMBER 2018.

Index of Relative Socio-economic Disadvantage	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18
1	3,006	2252	2,033	1,792	1,699
2	1,766	2085	1,907	1,752	1,676
3	1,765	1408	1,285	1,196	1,148
4	2,090	2024	1,875	1,724	1,652
5	1,721	1667	1,522	1,425	1,328
6	2,426	2747	2,548	2,329	2,171
7	1,718	1526	1,396	1,310	1,234
8	1,560	1815	1,707	1,608	1,538
9	1,428	1307	1,261	1,200	1,170
10	1,029	993	953	922	886
Not Available	32	10	11	12	6
Total	18,541	17834	16,498	15,270	14,508

⁷ ABS catalogue 2033.0.55.001 - Census of Population and Housing: Socio-Economic Indexes for Areas (SEIFA), Australia, 2016.

FIGURE 3: EDUCATOR MEMBER NUMBERS BY SOCIO-ECONOMIC DISADVANTAGE AND STATE AND TERRITORY AS AT 31 DECEMBER 2018.



Service members

Table 7 below depicts service member distribution by relative socio-economic disadvantage from 31 December 2017 to 31 December 2018.⁸

As with the distribution of educators, despite some movements in actual numbers, there has been little change in the proportions of services according to relative socio-economic disadvantage since the last reporting period.

During this reporting period, the deciles with the highest representation of services are deciles 1 and 6, with 13% and 13.6% of services each, followed closely by decile 2 with 11.5% of service members. Just under a quarter of service members (24.4%) continue to be located within deciles 1 and 2 (the two highest areas of socio-economic disadvantage), virtually unchanged from the previous quarter (25.4%). Over half (53.2%) of family day care services are located in areas located within deciles 1-5 of highest socio-economic disadvantage. This is also virtually unchanged from the previous quarter (53.4%).

TABLE 7: SERVICE MEMBER NUMBERS BY SOCIO-ECONOMIC DISADVANTAGE FROM 31 DECEMBER 2017 TO 31 DECEMBER 2018.

Index of Relative Socio-economic Disadvantage	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18
1	135	87	84	73	70
2	65	87	74	71	61
3	79	61	61	55	53
4	79	63	59	55	57
5	59	54	55	49	44
6	89	92	84	73	73
7	61	67	63	58	51
8	46	58	52	46	46
9	44	49	46	49	46
10	24	35	32	31	31
Not Available	7	0	0	7	4
Total	688	653	610	567	536

⁸ For March 18 onwards - ABS catalogue 2033.055.001 - Census of Population and Housing: Socio-Economic Indexes for Areas (SEIFA), Australia, 2016. Additionally, it should be noted that the postcode of the registered office on the ACECQA National Register was utilised to determine the remoteness area of approved services in this report.



4. Service Quality Rating

4.1 Overall Quality Rating

This final section of FDCA's Family Day Care Sector Profile report provides insights into performance of family day care services under the National Quality Framework, drawing on data provided by ACECQA.

Figure 4 below indicates the proportion of family day care services by overall quality rating from 31 December 2017 to 31 December 2018.

The majority of approved family day care services (54%) continue to be rated by ACECQA as *Working Towards the NQS*, remaining largely unchanged over the past quarter.

Since the September 2018 quarter, there have been some slight changes in the national proportion of assessed services rated as *Exceeding NQS* (now 14%, previously 15%) and *Meeting NQS* (now 30%, previously 29%).

Looking over the past 12 months there have been slight improvements in the reduction of the overall proportion of services rated *Significant Improvement Required* (3% down to 1%) and the increase in the number of services rated as *Meeting NQS* (from 27% up to 30%).

FIGURE 4: PROPORTION OF SERVICES BY OVERALL QUALITY RATING FROM 31 DECEMBER 2017 TO 31 DECEMBER 2018.

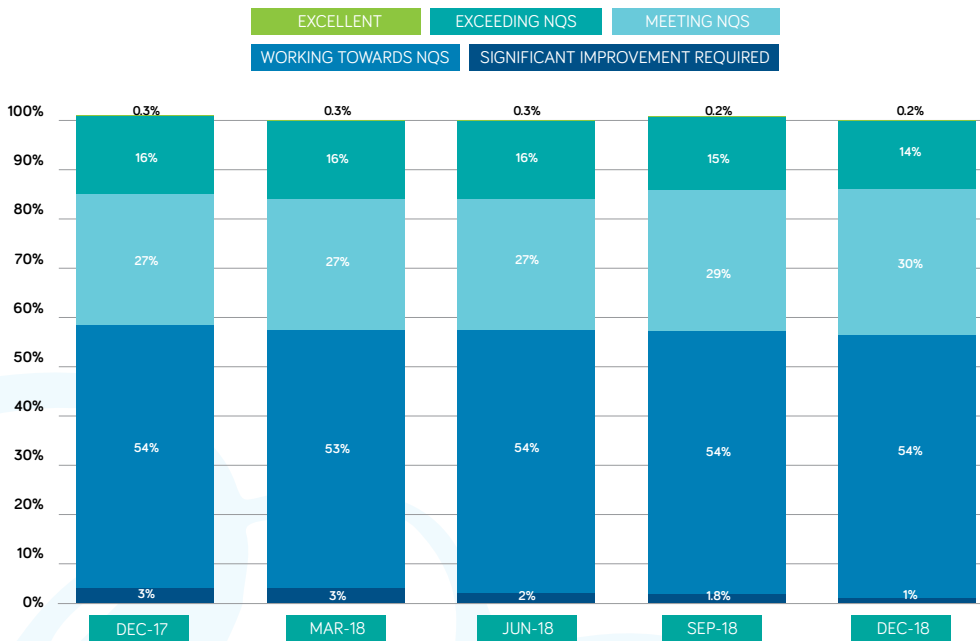


Table 8 below depicts the number of assessed family day care services by overall quality rating and state or territory as at 31 December 2018. It also includes numbers of services yet to be assessed.

In the period from 30 September to 31 December 2018, Queensland remains the only state where a service has been awarded an *Excellent* rating. The states and territories with the highest proportions of their assessed services rated as *Exceeding NQS* are Tasmania (54.5%), the Northern Territory (25%) and Queensland (23.4%). New South Wales and Victoria are the only states with services rated by ACECQA as *Significant Improvement Required*, representing 1.9% and 0.5% of assessed services respectively in those states.

There has been a marginal increase in the proportion of total services assessed nationally since the last quarter (86% to 87%).

TABLE 8: NUMBER OF SERVICES BY OVERALL QUALITY RATING⁹ AND STATE AND TERRITORY AS AT 31 DECEMBER 2018.

State	Excellent	Exceeding NQS	Meeting NQS	Working Towards NQS	Significant Improvement Required	Not yet assessed	Total	Assessed Services
ACT	0	1	4	3	0	3	11	73%
NSW	0	18	59	116	4	15	212	93%
NT	0	1	1	2	0	0	4	100%
QLD	1	25	41	40	0	9	116	92%
SA	0	1	2	9	0	1	13	92%
TAS	0	6	2	3	0	0	11	100%
VIC	0	23	61	113	1	50	248	80%
WA	0	6	2	23	0	7	38	82%
Total	1	81	172	309	5	85	653	87%

9 ACECQA National Register, as at 31 December 2018.



4.2 Quality Area Rating

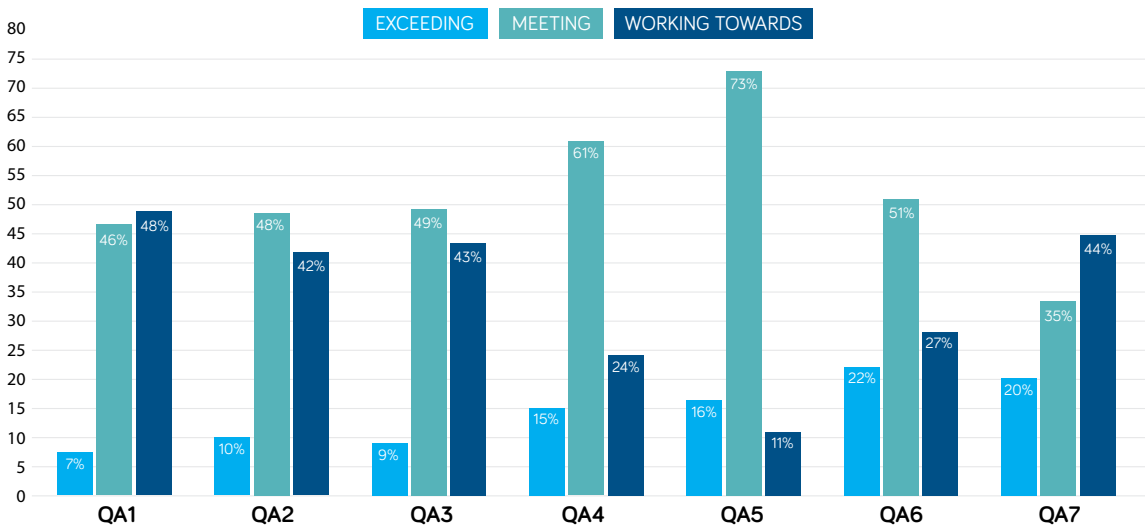
Figure 5 below shows service data by NQS Quality Area rating as provided by ACECQA at 31 December 2018. Supplementary data and analysis on the education and care sector as a whole is available in ACECQA's NQF Snapshot reports.¹⁰

As can be seen below, for each NQS Quality Area more than half of all assessed family day care services are rated as either *Meeting NQS* or *Exceeding NQS*, similar to results in the previous quarter. The proportion of services rated as *Exceeding NQS* in each Quality Area has also largely remained the same as for the September 2018 quarter.¹¹

Based on ACECQA's Quality Area rating data, family day care services continue to perform best¹² in QA5 (Relationships with Children), QA4 (Staffing Arrangements), and QA6 (Collaborative Partnerships with Families and Communities): 89% are rated either *Meeting NQS* or *Exceeding NQS* in QA5; 76% of services fall within these rating categories in QA4; and 73% meet these benchmarks in QA6.

Across the seven categories, the two Quality Areas where the highest proportion of *Exceeding NQS* ratings are awarded are in QA6 (22%) and QA7 (20%).

FIGURE 5: SERVICE QUALITY AREA RATING¹³ AS AT 31 DECEMBER 2018.



¹⁰ See www.acecqa.gov.au/nqf/snapshots

¹¹ For previous editions of the FDCA Family Day Care Sector Profile see <http://www.familydaycare.com.au/representing-you/sector-profile>.

¹² This performance measure is based on the three Quality Areas with the highest percentages when combining the Meeting NQS and Exceeding NQS Quality Area ratings.

¹³ The seven NQS Quality Areas are as follows: QA1- Educational program and practice; QA2 - Children's health and safety; QA3-Physical environment; QA4 - Staffing arrangements; QA5 - Relationships with children; QA6 - Collaborative partnerships with families and communities; and, QA7 - Leadership and service management.

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