FAMILY DAY CARE AUSTRALIA

Family Day Care Sector Profile

JUNE 2017

Family DAY CARE AUSTRALIA

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OVERVIEW

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

The report consolidates and analyses a number of data sources (including FDCA internal member data[1], the Australian Children's Education and Care Quality Authority National Register and Australian Bureau of Statistics data) 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.

Information in this report is presented from the June 2016 quarter to the June 2017 quarter; however, the primary focus of the analyses relate to the changes between the March 2017 quarter and the June 2017 quarter.

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

STATE OF THE SECTOR

Figure 1 below presents the number of FDCA members, both services and educators, by state and territory, as at 30 June 2017.

The total number of family day care services and educators across Australia is 762 and 20,817 respectively.

Victoria has the largest family day care community with 326 services and 7,724 educators, and the Northern Territory is the smallest with 3 services and 64 educators.

FIGURE 1: NUMBER OF CURRENT FAMILY DAY CARE MEMBERS AS AT 30 JUNE 2017

EDUCATOR MEMBER NUMBERS

Table 1 below outlines the total number of family day care educators by state and territory from June 2016 to June 2017.

In line with the general trend across 2016 to 2017, there continued to be a decrease (4.3%) in total educator numbers nationally from the March 2017 quarter to the June 2017 quarter. All states showed decreases in educator numbers between these quarters, though educator numbers in both territories increased slightly. The greatest proportional decrease in educator numbers again occurred in South Australia (9.3%).

As outlined in the previous edition of the Family Day Care Sector Profile Report, this trend may partially be attributed to a number of legislative instruments that commenced in the previous quarter which made additional changes to the child care payments legislative framework in order to facilitate greater levels of compliance within the sector.

New South Wales, Queensland and Victoria continue to retain the largest family day care educator numbers, which equates to 85.5% of total educators between the three states. This percentage has not changed from the previous quarter.

TABLE 1: EDUCATOR MEMBER NUMBERS BY STATE AND TERRITORY FROM 30 JUNE 2016 TO 30 JUNE 2017

State	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17
Queensland	4,015	3,912	3,775	3,634	3,499
New South Wales	7,172	7,125	6,974	6,762	6,581
Australian Capital Territory	217	208	207	201	204
Victoria	8,434	8,624	8,396	8,182	7,724
Tasmania	455	435	426	414	401
South Australia	977	922	863	784	711
Western Australia	1,723	1,735	1,726	1,691	1,633
Northern Territory	73	67	65	61	64
Total	**23,066**	**23,028**	**22,432**	**21,729**	**20,817**

SERVICE MEMBER NUMBERS

Table 2 below outlines the total number of family day care services by state and territory from June 2016 to June 2017.[2]

Total service numbers decreased relatively significantly from the March 2017 quarter to the June 2017 quarter (7.9%). The largest proportional decrease in service numbers during this period occurred in the Northern Territory (50%), followed by South Australia (20.7%) and the Australian Capital Territory (12.5%).[3] Service numbers in New South Wales and Victoria also decreased across the quarter (8.8% and 7.9% respectively).

Service numbers in Queensland, Tasmania and Western Australia remained relatively static during this period.

TABLE 2: SERVICE MEMBER NUMBERS BY STATE AND TERRITORY FROM 30 JUNE 2016 TO 30 JUNE 2017

State	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17
Queensland	124	132	127	127	123
New South Wales	241	244	245	238	217
Australian Capital Territory	12	14	14	16	14
Victoria	324	344	351	354	326
Tasmania	10	10	12	12	12
South Australia	27	25	27	29	23
Western Australia	48	52	49	45	44
Northern Territory	6	6	6	6	3
Total	**792**	**827**	**831**	**827**	**762**

[2] Please note: 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 CCB approval. Additionally, not all services operating in Australia are FDCA members.

[3] Please note: the small number of services in both territories contributes to the seemingly significant percentage decrease in services between quarters.

LOCATION

REMOTENESS AREA

Educator

Table 3 below provides a breakdown of educator location by remoteness area from 30 June 2016 to 30 June 2017.

The number of educators in all remoteness categories has declined between the March 2017 quarter and the June 2017 quarter. There was a 4.7% decline in educator numbers within Major Cities over this period, a 2% decline in Inner Regional Australia and a 3.3% decline in Outer Regional Australia.

Despite the 4.2% decline in total educator numbers since the previous quarter, the remoteness profile has not changed significantly. The vast majority (79.2%) of educators continued to reside within Major Cities of Australia. 20.6% of educators reside in regional or remote areas, which has increased only slightly from the previous quarter (previously 20.3%). Between the March 2017 and June 2017 quarters the proportion of educators operating in Inner Regional Australia has increased slightly from 14.1% to 14.4%. The proportion of educators residing in Outer Regional Australia has remained static between these quarters at 5.6%. The percentage of educators residing in Remote and Very Remote areas has also remained static at 0.6%.

TABLE 3: EDUCATOR MEMBER NUMBERS BY REMOTENESS AREA[4] FROM 30 JUNE 2016 TO 30 JUNE 2017

Remoteness Area	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17
Major Cities of Australia	18,382	18,376	17,861	17,291	16,486
Inner Regional Australia	3,154	3,145	3,101	3,060	2,999
Outer Regional Australia	1,312	1,284	1,261	1,203	1,163
Remote Australia	138	142	130	111	110
Very Remote Australia	37	36	36	28	25
Not Available	43	45	43	36	34
Total	**23,066**	**23,028**	**22,432**	**21,729**	**20,817**

[4] ABS Cat. No. 1270.0.55.006 - Australian Statistical Geography Standard (ASGS): Postcode 2011 to Remoteness Area 2006.

Service

Table 4 presents service member numbers by remoteness area from 30 June 2016 to 30 June 2017.

Service numbers in all remoteness categories decreased from the March 2017 quarter to the June 2017 quarter, apart from in Very Remote Australia which remained static. The number of services in Major Cities declined relatively significantly during this period (8.3%).

A total of 19.1% of services are located in regional or remote areas at June 2017, up from 17.4% in the December 2016 quarter. Due to the decrease in all regional categories, this proportional increase can be attributed to the decline in services in Major Cities.

TABLE 4: SERVICE MEMBER NUMBERS BY REMOTENESS AREA FROM 30 JUNE 2016 TO 30 JUNE 2017

Remoteness Area	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17
Major Cities of Australia	641	679	676	672	616
Inner Regional Australia	84	85	92	94	91
Outer Regional Australia	43	44	47	51	47
Remote Australia	7	5	5	7	6
Very Remote Australia	1	1	1	2	2
Not Available	16	13	10	1	0
Total	**792**	**827**	**831**	**827**	**762**

SOCIO-ECONOMIC DISADVANTAGE

Educator

Table 5 illustrates educator member numbers by socio-economic disadvantage decile from 30 June 2016 to 30 June 2017.

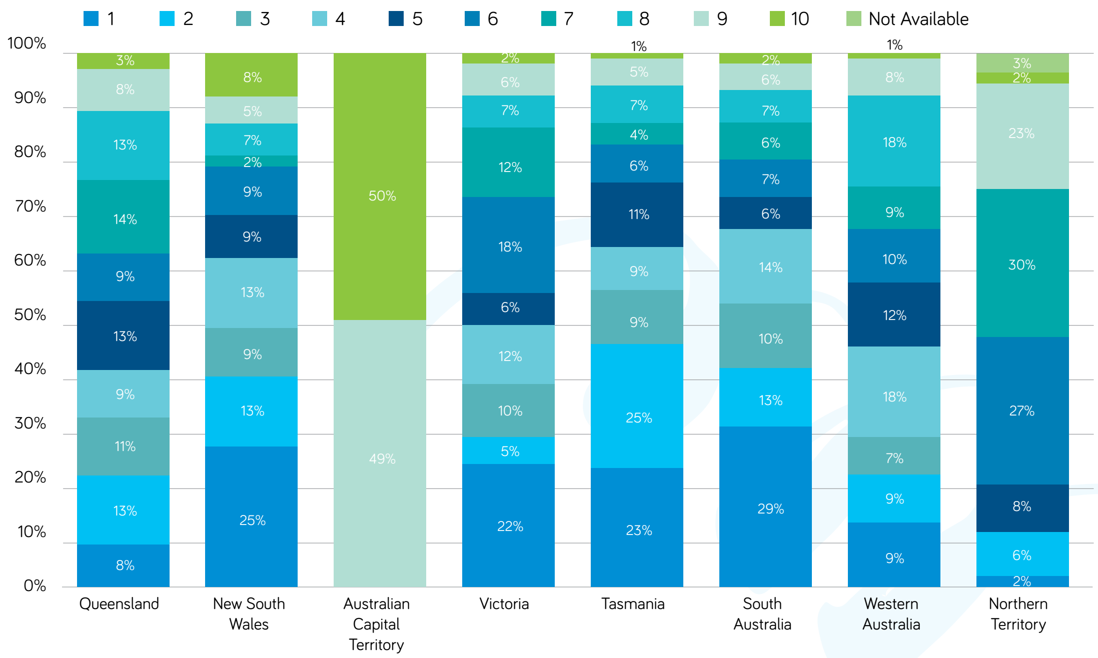
In the June 2017 quarter, the decile with the highest number of educators (18.5%) is the decile 1 category, which represents areas with the highest level of socio-economic disadvantage. While numbers in this decile have decreased by 7.1% from the previous quarter, the overall proportion has only decreased slightly from the March 2017 quarter (0.6%).

Over half (58.1%) of educators continue to reside in areas that are in the five deciles of highest socio-economic disadvantage.

TABLE 5: EDUCATOR MEMBER NUMBERS BY SOCIO-ECONOMIC DISADVANTAGE[5] FROM 30 JUNE 2016 TO 30 JUNE 2017

Index of Relative Socio-economic Disadvantage	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17
1	4,682	4,591	4,379	4,151	3,855
2	2,313	2,304	2,223	2,139	2,031
3	2,289	2,268	2,199	2,127	1,989
4	2,526	2,510	2,481	2,409	2,330
5	2,075	2,074	2,007	1,968	1,891
6	2,802	2,825	2,775	2,683	2,625
7	2,073	2,060	2,001	1,929	1,853
8	1,671	1,706	1,694	1,695	1,662
9	1,520	1,568	1,550	1,539	1,501
10	1,062	1,071	1,074	1,046	1,039
Not Available	53	51	49	43	41
Total	**23,066**	**23,028**	**22,432**	**21,729**	**20,817**

FIGURE 2: EDUCATOR MEMBER NUMBERS BY SOCIO-ECONOMIC DISADVANTAGE AND STATE AND TERRITORY AS AT 30 JUNE 2017 USING AUSTRALIAN RANKING



[5] ABS Cat. No. 2033.0.55.001 Census of Population and Housing: Socio-Economic Indexes for Areas (SEIFA), Australia, 2011

Service

Table 6 below depicts service member numbers by socio-economic disadvantage from 30 June 2016 to 30 June 2017.[6]

Similar to the socio-economic distribution of educators, the decile with the highest representation of services is decile 1 (highest socio-economic disadvantage) which retains 22.3% of services. Additionally, over half of all services operate in the five highest deciles of socio-economic disadvantage (61.7%).

TABLE 6: SERVICE MEMBER NUMBERS BY SOCIO-ECONOMIC DISADVANTAGE FROM 30 JUNE 2016 TO 30 JUNE 2017

Index of Relative Socio-economic Disadvantage	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17
1	176	188	195	188	170
2	80	83	90	88	78
3	71	72	71	81	78
4	82	91	85	90	85
5	60	66	62	64	59
6	103	105	111	104	95
7	74	80	76	75	68
8	52	50	50	52	47
9	45	41	44	48	50
10	26	31	31	30	26
Not Available	23	20	16	7	6
Total	**792**	**827**	**831**	**827**	**762**

[6] The postcode of the registered office on the ACECQA National Register was utilised to determine the remoteness area of approved services for the March 2017 data set. The December 2016 data was sourced from the postcode registered internally with Family Day Care Australia which may result in some minor discrepancies in the data between the December 2016 data set and the March 2017 set.

EDUCATOR

AGE

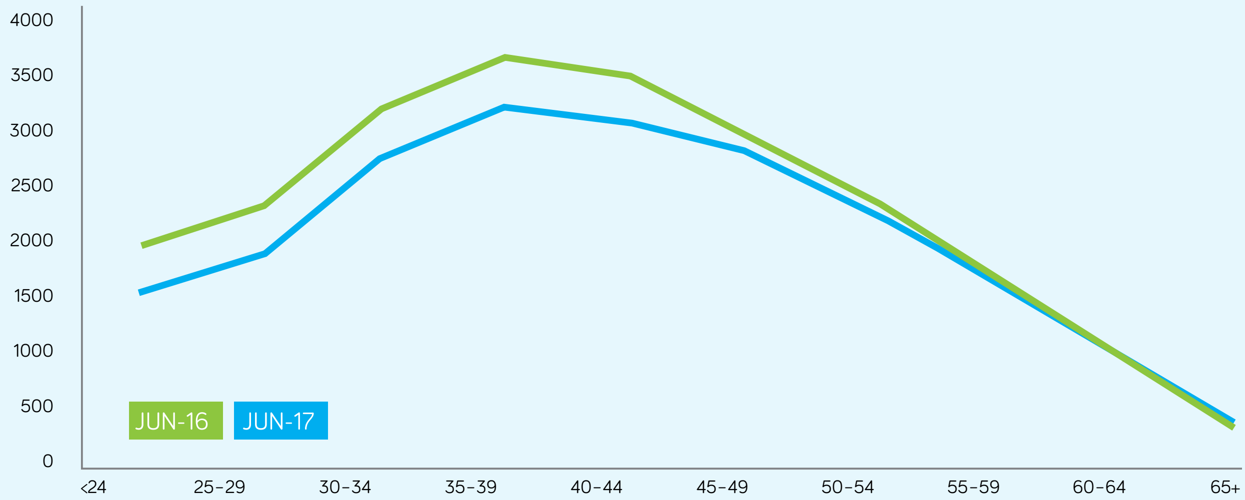
Table 7 below indicates educator member numbers by age from 30 June 2016 to 30 June 2017.

From the March 2017 quarter to the June 2017 quarter there was a slight decrease (3%) in the 65 and over age range, with the largest decreases occurring in the 35-39 age range (5%) and the 25-29 age range (8%) over this period. In the June 2017 quarter, 44% of educators fell within the 35-49 age range, with the highest proportion of educators (within a single age bracket) remaining in the 35-39 age range (16% of total educators).

TABLE 7: EDUCATOR MEMBER NUMBERS BY AGE FROM 30 JUNE 2016 TO 30 JUNE 2017

Age	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17
<24	1,973	2,011	1,838	1,690	1,555
25-29	2,334	2,349	2,217	2,068	1,902
30-34	3,210	3,175	3,014	2,911	2,772
35-39	3,657	3,564	3,512	3,393	3,227
40-44	3,497	3,421	3,360	3,259	3,102
45-49	2,937	2,925	2,858	2,875	2,834
50-54	2,402	2,443	2,473	2,375	2,285
55-59	1,670	1,699	1,691	1,721	1,703
60-64	1,008	1,025	1,044	1,007	1,020
65+	369	410	423	427	415
Not Available	9	6	2	3	2
Total	**23,066**	**23,028**	**22,432**	**21,729**	**20,817**

FIGURE 3: EDUCATOR MEMBER NUMBERS BY AGE AT 30 JUNE 2016 AND 30 JUNE 2017



SERVICE

OVERALL QUALITY RATING

Table 8 below depicts the number of services by overall quality rating and state as at 30 June 2017.

As presented in the March 2017 Family Day Care Sector Profile report, the majority of services in the Australian Capital Territory (62%) and South Australia (71%) were not yet assessed. However, there has been an overall increase in the proportion of total services assessed nationally since the last quarter (from 62% to 73%). Tasmania now has the largest proportion of services assessed (93%), followed by Western Australia (89%).

Victoria and New South Wales remain the only two states with services rated Significant Improvement Required. Despite a minor decrease in services with this rating in Victoria (n=2), there was an increase in services with this rating in New South Wales since the previous quarter (n=4).

There has been a 16.6% increase in services rated Exceeding NQS in New South Wales.

TABLE 8: NUMBER OF SERVICES BY OVERALL QUALITY RATING [7] AND STATE AND TERRITORY AS AT 30 JUNE 2017

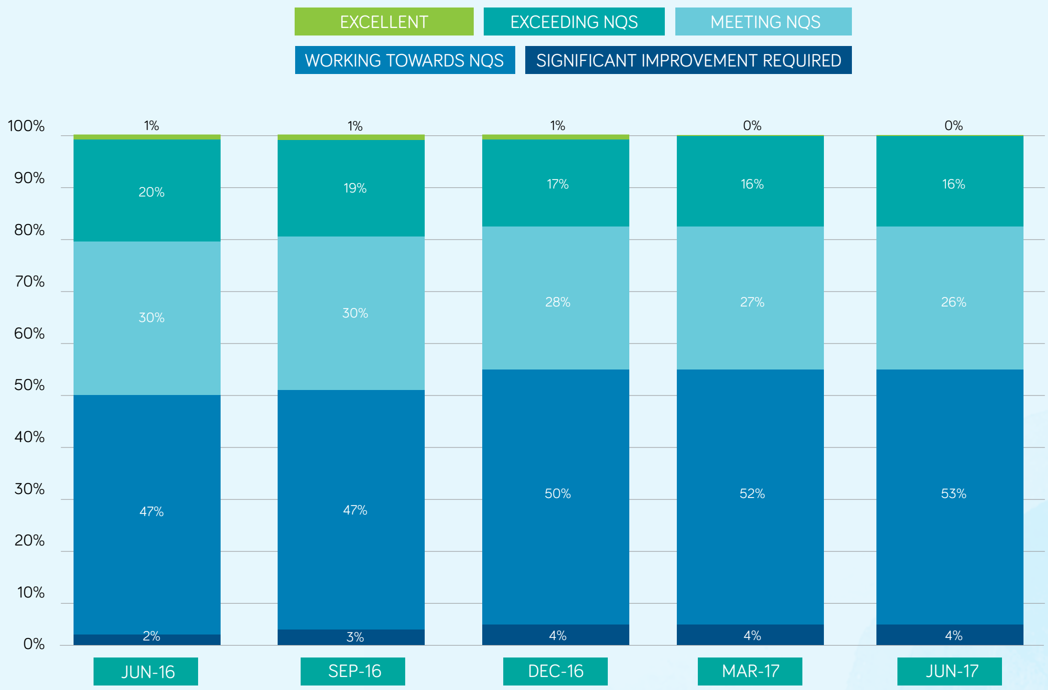
State	Excellent	Exceeding NQS	Meeting NQS	Working Towards NQS	Significant Improvement Required	Not yet assessed	Total	Assessed Services
QLD	2	31	35	25	0	36	129	72%
NSW	0	28	54	113	18	82	295	72%
ACT	0	1	1	3	0	8	13	38%
VIC	0	33	72	157	10	81	353	77%
TAS	0	6	2	5	0	1	14	93%
SA	0	1	1	7	0	22	31	29%
WA	0	3	5	32	0	5	45	89%
NT	1	1	0	2	0	1	5	80%
Total	**3**	**104**	**170**	**344**	**28**	**236**	**885**	**73%**

[7] ACECQA National Register, as at 30 June 2017.

Figure 4 below indicates the proportion of services by overall quality rating from 30 June 2016 to 30 June 2017.

The proportion of services in each quality rating area has fluctuated slightly from the previous quarter. There is a slight decline in the proportion of services rated meeting (27% to 26%) and a slight increase in those rated working towards (52% to 53%).

FIGURE 4: PROPORTION OF SERVICES BY OVERALL QUALITY RATING FROM 30 JUNE 2016 TO 30 JUNE 2017



QUALITY AREA RATING

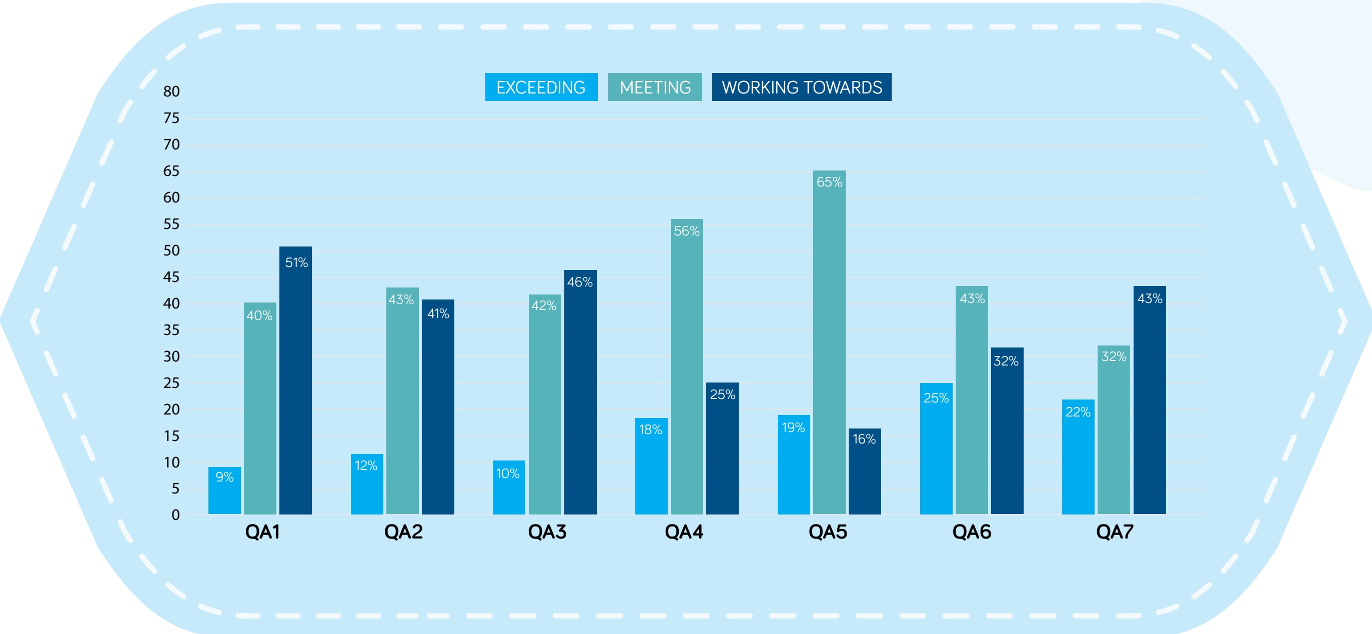
Figure 5 below shows services by NQS Quality Area rating as at 30 June 2017.

The proportion of services rated Exceeding NQS has not fluctuated significantly across all Quality Areas from the March 2017 quarter.

Based on the Quality Area rating data, family day care services perform best[8] in QA4 (Staffing Arrangements), QA5 (Relationships with Children) and QA6 (Collaborative Partnerships with Families and Communities): 74% of services are rated either Meeting NQS or Exceeding NQS in QA4; 84% fall within these rating categories in QA5; and, 68% meet these benchmarks in QA6.

A majority of services are rated either Meeting NQS or Exceeding NQS across all NQS Quality Areas apart from QA1 (49%). Across the seven categories, the two Quality Areas displaying the highest proportion of Exceeding NQS ratings are awarded in QA6 (25%) and QA7 (22%).

FIGURE 5: SERVICE QUALITY AREA RATING[9] AS AT 30 JUNE 2017



[8] 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.

[9] 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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