



Secretariat of National Aboriginal and Islander Child Care

SNAICC Submission

Regulation Impact Statement

Child Care Assistance Package

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1. Overview and key recommendations

Every child deserves an equal start in life, but many Aboriginal and Torres Strait Islander children are born into circumstances of high vulnerability, exclusion and disadvantage. Indigenous children comprise just 2.9% of children participating in early childhood education and care programs, despite making up 5.5% of the population.¹ Not enough is being done to ensure these children are accessing early years programs, despite evidence clearly showing that the formative years of a child's life are a critical predictor of their successful transition to school and life-long education and employment outcomes. The Child Care Assistance Package plays a critical role in redressing this to change the life trajectory of these children.

In Aboriginal and Torres Strait Islander communities, early learning centres have demonstrated potential to provide a touchpoint for the entire family to access services and engage with the community, while giving children the best start in life. The centres provide:

- critical early learning supports
- early identification of learning disabilities
- basic health services
- parenting and family support programs
- cultural programs that build pride and identity
- transition to school programs
- family support and capacity building
- information sharing and community events
- employment opportunities for locals.

These functions are not add-ons, but fundamental resources for families and children who wouldn't otherwise access formal support services. 80% of the 650 children participating in the early childhood education program within one of the nine NSW Aboriginal Child and Family Centres between June-December 2014, for example, had not accessed any program previously.

A powerful body of literature shows that 'children who participate in quality early childhood education and care are more likely to make a successful transition to school, stay longer in school, continue on to further education and fully participate in employment and community life as adults.'² As their local community hub, these services can also provide a trusted one-stop shop for Aboriginal and Torres Strait Islander families who otherwise won't access any other service supports. This means that families who most need support can access housing and legal services, parenting programs, youth programs, maternal health services, family violence counselling, drug and alcohol counselling, men's groups, grandparent support groups and other critical supports identified based on community need. Evidence also confirms that engagement in early childhood education reduces risk of harm to a child, and subsequent involvement with statutory child protection authorities, as well as reductions in remedial services and criminal behaviour in the longer term.³

These early years services also generate employment opportunities and enable communities to get work ready and secure jobs. They build confidence and skill up mums – many who have never been in the workforce – providing a stepping-stone into paid work. They train up local workers within culturally appropriate, supported environments. Ballina Aboriginal Child and Family Centre alone has 28 Aboriginal

staff and the Logan Aboriginal Child and Family Centre has 27. There are 13 Indigenous staff in the Ngukurr Centre and 39 Indigenous people employed in the five WA centres.

The Child Care Assistance Package is intended to have a range of impacts on families, child care services and the Government. The range of reform measures aim to assist in meeting Government objectives outlined in Chapter 3, including those that aim to:

- improve access and flexibility
- improve affordability for parents and better target assistance for low and middle income families, vulnerable children and disadvantaged communities
- constrain fee increases
- improve budget sustainability in the longer term
- support workforce participation and early childhood development.⁴

The Government's proposed reforms to early learning and child care funding, as currently framed, will not meet these central objectives of improving access and improving affordability for low income families, and vulnerable children. The package will rather further disadvantage Aboriginal and Torres Strait Islander children by excluding them from accessing these vital services.

The Additional Child Care Subsidy, which limits child care access to 12 hours per week in cases where parents don't meet work, training or study requirements, will have a significant detrimental impact on Aboriginal and Torres Strait Islander children. The 'one size fits all' approach to the sector, forcing Aboriginal and Torres Strait Islander services to operate under a mainstream, user-pays model, with inadequate safety net supports, will also reduce access for Aboriginal and Torres Strait Islander children. Whilst funding allocated under the reforms to assist struggling families has increased, and provides potential to greatly strengthen early childhood outcomes, the way in which it is currently structured will lead to the exclusion of Indigenous children who need it most. In remote and disadvantaged areas where there are weak markets and high levels of unemployment this model will see the closure of many centres.

The Child Care Assistance Package does not redress the 15,000 early learning and child care placement shortage for Aboriginal and Torres Strait Islander children identified by the recent Productivity Commission report. In fact, the package will only compound this gap. Consideration is required to the recent United Nations review of Australia's child rights record, which recommended that the Australian government 'further improve the quality and coverage of its early childhood care and education...with a view to ensuring that it is provided in a holistic manner than includes overall child development and strengthening parental capacity.'⁵

Without access to critical early learning supports, early identification of learning disabilities, basic health services, parenting support programs, cultural programs that build pride and identity, and transition to school programs, Aboriginal and Torres Strait Islander children will fall behind before they have even started school.

There is also a major need for reorientation to a strengths based model. It is important to recognise the profound strengths of many Aboriginal and Torres Strait Islander children, families and communities. The learning environments of these children can be extraordinarily rich and vibrant. They come to early learning centres with many strengths that need the right skills to tap and build. 'Accessing a 'safety net' is stigmatizing. Low-income parents will be forced to deal with a spider web of bureaucracy, humiliation, form-filling and intrusion.'⁶ This will be particularly detrimental for families who are already hard to

engage in services. Families generally do contribute significantly to their centres. The system should recognise and validate their efforts rather than set them up to fail or force them through a stigmatising system.

The Secretariat of National Aboriginal and Islander Child Care (SNAICC) proposes a number of critical recommendations to redress these unintended policy consequences.

- (a) Quarantine a proportion of the Community Child Care Fund for use for Aboriginal and Torres Strait Islander children, with the proportion determined in view of the Closing the Gap strategy and in consultation with Aboriginal and Torres Strait Islander leaders and peak bodies.
- (b) Amend the Additional Child Care Subsidy to provide access to 30 hours per week (three days) of early learning for children from low-income families, where both parents do not meet the activity test.
- (c) Significantly expand provision for integrated services. The Government's recognition of the importance of funding the integration of child care, maternal and child health and family support services in Indigenous communities is positive. However, the amount allocated is tokenistic and manifestly inadequate to begin to implement the early childhood reforms proposed by the Forrest review.
- (d) Expand the capital support provision of the CCCF to fund set-up costs of new services in areas of need to ensure supports not only for existing services but expand access to close the 15,000 place gap in child care services for Indigenous children.
- (e) Build flexibility into the Child Care Subsidy to ensure prescriptive requirements and administrative barriers do not cause vulnerable families to drop out of the subsidy system, and temporary exemptions are provided for those that do.

2. Child Care Subsidy

2.1 Family eligibility for the Child Care Subsidy

2.1.1 Preliminary question of reducing access under the activity test and Additional Child Care Subsidy

The Child Care Assistance Package reduces access to any child care subsidy from 24 hours to 12 hours per week where both parents don't meet work, training or study requirements. This will have a significant effect on Aboriginal and Torres Strait Islander families.

Indigenous people experience unemployment rates at over three times the level of non-Indigenous people.⁷ Indigenous unemployment is the result of complex structural, political and economic factors and is strongly linked to issues of intergenerational poverty, discrimination and disempowerment. The proposed change will reduce the number of hours that Aboriginal and Torres Strait Islander children can access early education – despite the fact that Aboriginal and Torres Strait Islander children are at a higher risk of experiencing significant disadvantage during their early years, and participate at lower levels within early childhood education and care programs.⁸

Evidence on the impact of quality early learning services on development outcomes for children from disadvantaged families is unequivocal. As noted by esteemed authors of the Abecedarian approach:

The toll of limited learning opportunities and low expectations for children from “high risk” home environments is undeniably cumulative. Extrapolation from several studies comparing the course of development for children who do and do not receive positive learning experiences in the first five years of life ... show that – Children who do not have a solid pre-kindergarten foundation are likely to start kindergarten 2 years or more behind children of similar ages and environments who do have a firm pre-kindergarten foundation. This difference in developmental age, or developmental competence, is even greater between children from high-risk environments and children from learning-enriched environments.⁹

Australian Government early childhood policy objectives, Closing the Gap objectives and employment policy goals are all progressed through an early childhood education and care policy that finds the right balance to support early childhood development for children from disadvantaged families. On the other hand, these goals will be undermined through the current policy where that balance is not found.

Feedback from Aboriginal and Torres Strait Islander services to SNAICC indicates that high numbers of children who currently access early childhood services for 3-5 days per week would have their participation cut to 12 hours per week, as their families would not satisfy the activity test and services could not provide current subsidies to families. Aboriginal Child and Family Centres, and Budget Based Funded services, currently provide subsidies to ensure that the amount of time a child can attend the service is not based on their parent’s income or activity levels. Some Aboriginal and Torres Strait Islander Child and Family Centres in NSW have reported that 50-95% of their families would not satisfy the activity test. Excluding these families from child care will only compound the disadvantage experienced by Aboriginal and Torres Strait Islander children, and do little to support Indigenous families into work. It will also greatly undermine efforts to prepare children for school, thus risking the future employability of further generations of Indigenous Australians.

Additionally, advice from Aboriginal and Torres Strait Islander services indicates that 12 hours participation per week would be unsettling for children (particularly younger children), will not provide enough consistency, and will severely limit children’s pre-school readiness. Professor Deb Brennan further notes the impact of the activity test on the high proportion of parents who work unpredictable hours,¹⁰ confirming that it will result in huge inconsistencies for children and families - who won't know from one week to the next what level of subsidy they will get.

Service leaders and research broadly identify a minimum of three days access to quality early learning per week for children from vulnerable families and children with additional needs.

SNAICC recommends therefore amendment of the Additional Child Care Subsidy to provide access to 30 hours (three days) per week of early learning for children from low income families, where both parents do not meet the activity test.

Service example

Data from Nikinpa Aboriginal Child and Family Centre, operating in Toronto, NSW, indicates that half of all families would have their hours of subsidised care cut under the new reforms. The data further reveals that some children would have their hours of care cut from 24 hours per fortnight to zero, with a number of other children having their hours cut by 50%. These 32 families represent the more vulnerable families attending the service.

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Service example
<p>Bubup Wilam Early Learning Aboriginal Child and Family Centre, based in urban Melbourne, currently has 63 children (52 parents). Bubup Wilam has developed an Aboriginal Early Years Curriculum that reflects the outcomes children need and meets the Early Years framework and National Quality Standards. Bubup Wilam is sometimes the first point of entry for the entire family to access services and engage with the community, with holistic programs covering:</p> <ul style="list-style-type: none"> • critical early learning • health and wellbeing programs and services • parenting programs • cultural programs that build pride and identity • transition to school programs, and • Our Belonging, Being and Becoming. <p>Bubup Wilam represents a major development for early childhood outcomes for Aboriginal children. We have many families attending with high needs, including 15 families with notifications from the Department of Health and Human Services. Many of the families have stated the positive impacts Bubup Wilam has had on their families and the children are wanting to come every day. Parents readily engage with their children. Bubup requires a higher ratio of Educators in our rooms to meet the individual needs and is developing BWEL individual health and learning plans for each child in collaboration with their families that will follow them through for when the child starts school.</p> <p>The Child Care Assistance Package would have grave implications for these children and their families. 25% of parents would not meet the activity test and would be restricted to 12 hours a week under the Additional Child Care Subsidy – or 1.2 days (10 hour days) of the Child Care Assistance Package. Parents accessing the Child Care Subsidy would be out of pocket about \$17 per day, which is double what the Centre Director estimates that these parents could pay, with all but 9 children in families of income under \$50,000. Bubup Wilam has struggled under the Child Care Benefit model with a deficit of \$500,000 annually. Centre Director commented: “The system needs to be set up to give people power to make decisions about their lives. Currently it does the opposite.”</p>

The Australian Government needs to identify the real impact of the package on these families and make the amendments necessary to give these families choices about critical supports for their children and their family. Time provided for consultations for the Regulation Impact Statement were insufficient to enable proper engagement of services and analysis of service impact.

SNAICC recommends that the Australian Government complete an assessment of impact on children from families experiencing disadvantage and consider changes necessary to support and enable the development of these children within the Child Care Assistance Package.

2.1.2 Family Eligibility - Activity test for eligibility for the Child Care Subsidy

SNAICC strongly favours the No change option 1.1

Responses to Consultation questions

What, if any, additional activities should be included as a 'recognised activity'?

Voluntary work should be counted as an additional activity. A number of Aboriginal and Torres Strait Islander parents/carers volunteer at their local early childhood centres, gaining valuable experience and often using this as a stepping-stone to paid work and/or training. These contributions are also vitally important for the services, enabling them to access additional support worker time and the expertise and knowledge of parents and carers, including cultural knowledge. Counting volunteer work also demonstrates recognition of the valuable contributions that Aboriginal and Torres Strait Islander family and communities make to their centres.

What evidence of activity should families have to provide if asked, particularly for voluntary work?

Evidence of voluntary work could be in the form of a statement from the volunteer host organisation, submitted on a weekly or fortnightly basis, specifying hours volunteered (as per a timesheet).

Should volunteering at a school be included in the activity list? If so, how should it be defined and what evidence should families have to provide if asked?

Refer to our responses to questions above.

Is the restriction of time periods for access to subsidised child care for those who are looking for work, in voluntary work or setting up a business appropriate? If not, how long should this be?

The restriction of time periods for volunteers are not appropriate. Volunteering does not merely bring benefits to individuals and the organisations within which they volunteer; it also makes a valuable contribution to the Australian economy. The ABS estimates that in 2006-07 the contribution of the volunteer workforce was over \$14.6 billion of unpaid labour.¹¹ The provision of free labour is particularly beneficial for child care organisations, for which wages constitute the bulk of the budget. Additionally, restricting the time periods that volunteers can access subsidised child care doesn't account for the lack of jobs in many remote areas. Restricting time periods would just prevent those parents who do want to contribute their time and skills to their community from doing so.

SNAICC therefore calls for a broad and ongoing exemption to the activity test for parents/carers engaged in voluntary activities.

2.1.3 Exemptions to activity test

Responses to Consultation questions

Should the current exemption categories continue and what evidence is needed to verify the exemption?

Exemptions to the activity test should focus on ensuring that children's consistent access to early education and care programs is not affected by any crises or hardships their families may be experiencing – particularly as these are the times when children and families most require consistent and accessible engagement with services.

What other circumstances would warrant an exemption?

The current threshold of a child needing to be 'at risk' of serious abuse or neglect means that children and families who most need support will not receive this until the family is in a position of extreme vulnerability and stress, and where the trajectory of removal of the child by child protection services is in motion. Requiring families to reach a stage of crisis before they are able to access support essentially sets families up to fail. It is also significantly detrimental to children – essentially meaning that the provision of support is withheld until they are on a downward spiral to removal from their families and placement within the out-of-home care system. Enabling families to access support *before* they reach a state of crisis provides a response much more likely to enable family strengthening and reduce the risk that a child will be removed by child protection. This has tremendous benefits for the child, the family and society, on economic and social dimensions. Recognising the role of early years services as strong preventative services takes steps to progress towards a primary health model adopted in the National Framework for Protecting Australia's Children 2009-2020.

Furthermore, evidence from Aboriginal and Torres Strait Islander services indicates that a number of children do not meet the threshold of being 'at risk', but do still experience family vulnerabilities that impact on the child's wellbeing. Enabling children's participation in early childhood programs through these times of stress is a key opportunity to prevent the deterioration of a family's capacity to parent, thereby preventing families from being drawn into involvement with child protection, and ensuring stability for the child. The only support option for a family here should not be based on confirmation of high risk of abuse or neglect.

SNAICC therefore proposes an additional exemption category where the service assesses that:

- a) a family is experiencing a temporary crisis that has the potential to impact upon their ability to pay fees and
- b) the child's development and wellbeing would be negatively impacted if their attendance at the service was to be discontinued or disrupted.

This exemption is below the level of risk of serious abuse and should last for 6 months. The documentation required to demonstrate this could be in the form of dated minutes of a meeting between the educator/s, service director and family.

A second exemption is also proposed where one parent does not meet the activity test and the family income is below \$75,000. This recognises the need of children in particularly disadvantaged families to access critical early learning supports, the need for parents respite, and the need for the parent not meeting the activity test to have space and time without children to prepare applications and to get "work-ready." Requiring both parents to not meet the activity test before allowing limited subsidised access sends the wrong signals to families, in fact encouraging families to disintegrate. There is an incentive not to stay married or partnered in low income families where only one parent meets the test.

Should grandparents who are the primary carers of a grandchild be exempt from the activity test, irrespective of their circumstances or incomes?

SNAICC recommends that grandparents who are the primary carers of a grandchild, and who, if they are still working, earn below \$170,000 annually, be exempt from the activity test. For grandparents earning above \$170,000 annually we recommend that the same subsidy cap applies as for non-grandparent carers.

There are many Aboriginal and Torres Strait Islander grandparents who experience significant financial struggles. They play a very valuable role in society and should be supported to take up these extra responsibilities, not punished. Aboriginal families are also more likely to be impacted by this issue. A 2014 Senate Inquiry found that given the over-representation of Aboriginal and Torres Strait Islander children in out of home care, “it is likely that there is a large number of Aboriginal and Torres Strait Islander children in the primary care of their grandparents.”¹² In their submission to the Senate Inquiry, the Queensland Aboriginal and Torres Strait Islander Legal Service noted that,

...although a way of life within Aboriginal and Torres Strait Islander communities, grandparents raising grandchildren do not always have the necessary support: It is our experience that a majority of these grandparents take on an onerous financial, physical and emotional burden with little or no formal support. Given the exceptionally higher numbers of Aboriginal and Torres Strait Islander children requiring extended family care, we often see these arrangements at risk of breakdown due to lack of financial assistance, legal recognition and dedicated support services.¹³

Furthermore, the Victorian Council of Social Service and the AASW suggested in their submissions to the same Inquiry that “additional assistance might be given to Aboriginal and Torres Strait Islander grandparents raising grandchildren, to better support kinship care placements.”¹⁴

2.1.4 Family eligibility – allowable absences

Responses to Consultation questions

What evidence should be provided to support absence days or applications for additional days?

Evidence should be provided in the form of a statement from services, indicating the reason for the need for additional absences.

What are the main reasons families draw on allowable absences?

Reasons that Aboriginal and Torres Strait Islander families draw on allowable absences include:

- Cultural affairs (for example families taking time away for Sorry Business, NAIDOC week, to go back on Country, and other cultural events)
- Family reasons (for example families travelling to spend extended periods of time with each other) and
- Recurrent health reasons such as ear or respiratory problems – which are more common within the Indigenous population.

Service example

Yarrabah PCYC School Age Care operates in Yarrabah, a Queensland community with nearly 100 per cent Aboriginal and Torres Strait Islander population. Children's intermittent attendance at Yarrabah has meant that the CCB allowable absences requirement is unworkable. Of the 40-50 children attending daily, about 10 % attend for three or more days a week. Most children therefore exceed their allowable absences within the year. Once their CCB has been terminated, the centre then has to cover the full fees. This factor, and others associated with CCB requirements, have led to Yarrabah experiencing a \$300,000 deficit, requiring the centre to take measures to remain operational. The centre has reduced its opening hours and cut back its program to save money. The program now runs from 3pm – 6 pm (rather than until 6.30pm), with the evening program (6pm-9pm) reduced to a basic program. This has led to reduced attendance. The centre has also had to sell their larger bus, relying now on one small bus to pick up and drop children.

Which option is preferred – or another option?

SNAICC supports Option 2.1, with services given the capacity to seek approval for additional absence days through an application process that considers what families may actually need. This would enable services to consider a variety of different circumstances based on families' needs – including circumstances such as cultural, family and health needs that require additional allowable absences.

SNAICC's second preference would be for Option 2.3, on the condition that services in areas of high vulnerability/disadvantage be given broader discretion to access additional allowable absence days.

The allowable absences provision has been identified by Aboriginal and Torres Strait Islander services as a significant reason why a CCB-type model is not workable. Specific issues arising for Aboriginal and Torres Strait Islander services with the number of allowable absences mandated under Child Care Benefit, include:

- The allowable absence maximum of 42 days is too few and results in Aboriginal and Torres Strait Islander families frequently exceeding the allotted time
- Families are often unable to provide the supplementary documentation required to increase the number of allowable absences
- The discretionary additional days are often not given even for absences caused by health problems and
- There is no discretion to grant additional days for absences caused by attendance at cultural and/or family events.

A number of services have reported that families have incurred large debts by exceeding their allowable absences. Families often are unable to pay their debts, causing services to terminate a child's enrolment. Services then have to bear the burden of the unpaid fees themselves, and children are deprived of early childhood education and care services.

Service example

Yawarra Child Care Service has identified significant problems with families frequently exceeding their 42 days of allowable absences. Once this has happened CCB payments are terminated and the family must then pay the full fees. If parents can't then pay the full fees the centre loses out on the full fee cost of each subsequent day – or is forced to terminate children's access. Staff feel that the 42 day limit does not take into account children's chronic health conditions and cultural/family responsibilities - which account for most additional absences. The fact that public holidays count towards allowable absences serves to aggravate the situation. This requirement does not reflect culturally appropriate service provision.

2.2 Service eligibility for the Child Care Subsidy

2.2.1. Service eligibility for the Child Care Subsidy - Approval process

SNAICC supports Option 3.3, to align the process with the National Quality Framework and include an ability to impose conditions on approvals. We recommend that services be able to apply for a probationary period of a minimum of six, and a maximum of 12 months.

2.2.2 Service eligibility for the Child Care Subsidy - Suitability to operate a service

SNAICC recommends Option 4.1. Existing eligibility criteria is already sufficiently onerous, and the risk exists within the other proposed options that services could be subjected to onerous requests for additional information, and heightened levels of bureaucratic requirements, all of which would detract from a service's ability to provide high quality care for their clients.

2.2.3 Service eligibility for the Child Care Subsidy - Operating requirements

SNAICC recommends Option 5.3. Services operating in rural and remote areas require additional flexibility in operating requirements due to the unique geographical, social and environmental contexts within which they operate – for example some services may not be able to sustain full-time demand, or may be limited by environmental factors in the number of weeks they can open. Assessment of service applications for exemption to operating requirements should have enabling the operation of the service as the highest priority.

2.2.4 Service eligibility for the Child Care Subsidy - Priority of Access (POA) requirements

Among the options provided, **SNAICC recommends** Option 6.1. However SNAICC also recommends that Aboriginal and Torres Strait Islander children be included within priority of access requirements.

This is proposed on the rationale that the current POA Guidelines discriminate against Aboriginal and Torres Strait Islander families who are not working or studying, placing them at a lower priority than those who are working or studying. This is likely to have the effect of decreasing access for the most vulnerable children in a community. Aboriginal and Torres Strait Islander children already participate in early childhood education programs at lower rates than their non-Indigenous peers, and the existing POA Guidelines reinforce this disparity. Whilst support for children at risk of abuse and neglect is vital, so too is support for children who experience disadvantage in the early years. The Longitudinal Survey of

Indigenous Children (the LSIC), indicates that over 80 per cent of Aboriginal and Torres Strait Islander children live in areas that rank within the bottom socio-economic areas within Australia.¹⁵ It is imperative that these children are prioritised in determinations regarding child care access.

According Aboriginal and Torres Strait Islander children priority of access to attend services accounts for the fact that under a market-based child care model, services will be forced to target fee-paying families to ensure high utilisation rates and therefore service sustainability. Closing the Gap targets, including the commitment to halve the gap for Indigenous students in reading, writing and numeracy within a decade and to ensure all Indigenous four years olds in remote communities have access to early childhood education within five years, support inclusion of Aboriginal and Torres Strait Islander children as a priority.

3 Child Care Safety Net

3.1 Additional Child Care Subsidy

Responses to Consultation Questions – General consultation questions on the Additional Child Care Subsidy

Should any other groups be considered for a higher level of assistance under the Additional Child Care Subsidy? If so, why?

See our response to questions in section 2.1.3.

What level of evidence should be provided by families or services to access the Additional Child Care Subsidy and support programme integrity?

We recommend that this be a record of minuted meetings between service leader, educator and family members, with accompanying letter from the child care provider.

Supportive documentation could include:

- Details confirming an open case with child protection
- Family currently accessing support program such as Brighter Futures or Intensive Family Support or
- Application letters from family support services.

Responses to Consultation Questions – Children at risk of serious abuse or neglect

Should 'at risk of serious abuse or neglect' be defined as a child who is at risk of experiencing physical assault, sexual assault, psychological/emotional abuse (including witnessing or being exposed to domestic violence) or neglect (e.g. malnutrition, lack of medical care)?

SNAICC supports this definition.

Are there other circumstances that should be included in this definition?

As noted above, a further category is required to support children from disadvantaged background who require access for developmental purposes to mitigate against the likelihood of starting school behind.

Where exposure to such risk has ceased, at what point should the child no longer be considered to be at risk?

The imperative within this provision should be on reducing stress to the family, enabling their recovery, and supporting the child. It is unlikely that the exposure to such risk will be a one-off or temporary event, and supports should therefore be in place to redress the issues and provide the maximum chance that they will not re-occur.

SNAICC therefore recommends that the child should be considered no longer at risk 12 months after the exposure to risk has passed. This should be reassessed 8 weeks later to determine whether the risk has resurfaced.

Responses to Consultation Questions – Temporary financial hardship

Should ‘temporary financial hardship’ be defined as families experiencing significant financial stress due to exceptional circumstances (e.g. sudden and unexpected death of a spouse/partner or child, unexpected loss of employment or natural or other disaster)? If so, how should exceptional circumstances be defined?

See our response to question below.

Are there other circumstances that should be included in this definition?

‘Temporary financial hardship’ should also include situations where one partner has experienced significant financial stress due to family violence – for example where one partner and the children are now living in supported accommodation/a domestic violence refuge. Note that whilst children who are at risk from having witnessed family violence will be covered under the previous category, this category would cover families who incur temporary financial hardship as a result of domestic violence, but where the children are no longer at immediate risk of abuse.

Given the range of issues covered by ‘temporary financial hardship’ what guidance would assist services to provide a proportionate response to level of hardship with respect to the timeframe of additional assistance?

How long should the financial hardship provision be extended

The initial 13 week period is sufficient.

Responses to Consultation Questions – Transition to work

What evidence should be available to confirm parents who receive transition to work assistance are satisfactorily progressing in their studies?

A letter from the parent's educational institution.

3.2 Community Child Care Fund

3.2.1 Element 1 - Community support in disadvantaged areas

Overarching concerns and recommendations

There is very little information available about the Community Child Care Fund (**CCCF**). The details of this program are clearly central to determining its impact. The little information that is available, including that it will be open to approximately 4000 services across Australia through a competitive tender process, gives cause for significant concern. This amounts to an average of only \$76,000 per service and is vastly inadequate to enable Aboriginal and Torres Strait Islander services to reduce access barriers and enable the provision of high-quality services to Australia's most disadvantaged children.

Furthermore, competitive tender processes are not the right mechanism to support either the best service provision for Indigenous children or capacity development of Aboriginal and Torres Strait Islander communities and services. Indigenous early years services will struggle to compete against large mainstream providers with greater resources, as highlighted by the recent experience of the Indigenous Advancement Strategy. Evidence continually reinforces that with strong cultural competency, high numbers of Aboriginal and Torres Strait Islander staff, and culture as the centerpiece of holistic service provision, Indigenous services are most effective at improving service access and outcomes for Aboriginal and Torres Strait Islander children and families.

SNAICC recommends adoption of alternative mechanisms for funding allocation. This should be based on criteria of Aboriginal and Torres Strait Islander population data, other linguistic and cultural backgrounds population data, data on child and community vulnerability (such as the Australian Early Development Census or the Dropping off the Edge Report definition) and three year applications submitted by services.

If competitive tenders are adopted, **SNAICC recommends** that local Aboriginal and Torres Strait Islander communities have decision-making power over who delivers services in their community, and that any tender process:

- includes criteria of demonstrated trust and working relationships with the local community and high cultural competency,
- preferences Indigenous service provision for Indigenous children and
- requires, in the absence of Indigenous service capacity, partnership with Indigenous services for service provision to Indigenous children.

Enabling Aboriginal and Torres Strait Islander communities to provide input into who delivers services within their community is the only way to reach true consolidation of services in communities, and is an effective way to ensure that families will access the service provided.

SNAICC has grave concerns that Aboriginal and Torres Strait Islander children, and the services that support these children in the most vulnerable communities, will become invisible under the Child Care Assistance Package. The Budget Based Funding (**BBF**) program currently supports a small number of services identified in areas not currently viable for a user-pay model of service provision. It provides a vehicle to ensure that children in these areas have the critical service supports they need to get a fair start, and that they do not fall off the grid. The new CCCF provides a means to expand the supports that this can provide, drawing from both the user pay and subsidy based options. In order to achieve this however amendments are required.

SNAICC recommends quarantining a proportion of the Community Child Care Fund for use for Aboriginal and Torres Strait Islander children. More work is required to determine the fair proportion that should be apportioned, determined in consideration of the Closing the Gap strategy, the preventative role of integrated early years services, and in consultation with Aboriginal and Torres Strait Islander leaders and peak bodies.

This approach is strongly supported by child care expert Professor Brennan, who states in her recent report that,

“...there needs to be substantial investment in a comprehensive, long-term program of community led services for Indigenous children and families – as per the Productivity Commission’s recommendation for \$200 million to be invested in a Community Early Learning Program. The existing proposal unfairly hurts indigenous families, and is likely to leave many indigenous families substantially worse off.”¹⁶

Responses to Consultation questions

Are there other activities that have proven effective in increasing participation of vulnerable children?

Factors that have proven effective in increasing the participation of Aboriginal and Torres Strait Islander children include:

- High numbers of Aboriginal and Torres Strait Islander staff¹⁷
- Culturally safe environments and cultural competence of non-Indigenous staff
- “community partnerships, culturally relevant practice that values local Indigenous knowledge, and appropriate teacher training and support”¹⁸
- Community owned services that are seen as safe and trusted community spaces
- Provision of cultural and other programs that engage the family, not just the child.

SNAICC recommends the inclusion of culture and cultural programs, as well as costs related to engaging and retaining Aboriginal and Torres Strait Islander staff and Indigenous governance requirements within activities supported under this fund.

This would include professional development and supporting improved staff qualifications. This will be particularly important for Budget Based Funding program (**BBF**) services which will shortly come under the National Quality Framework, and will therefore need to ensure staff qualifications and

training levels meet requirements. The BBF Quality Measure has provided significant supports in this area in recent years.

The provision of integrated programs such as maternal health, child health, family support and capacity building, nutrition and early intervention alongside early childhood services has also been identified by families and services alike as critical to increasing Aboriginal and Torres Strait Islander families' access and engagement with an early childhood service.¹⁹ The excerpt below, from SNAICC's research on integrated service delivery for Aboriginal and Torres Strait Islander children and families, describes the importance of service integration to enabling access to critical family supports in the early years:

Integrating access for children and families is a central driving philosophy of service integration, based on the notion that integrated systems have the potential to respond more holistically to child and family needs by combating service fragmentation and making a range of child and family services readily available.²⁰ Holistic responses are facilitated both by single integrated services, as well as cooperative activities and coordinated referral systems between providers that link families to a range of supports from a single point of access to the service system.²¹ An important point of clarification, not always addressed in the literature, is that while integrated systems seek to ensure access to multiple services through single access points, they are most accessible where there are multiple entry points into the integrated service system, with 'no wrong doors.'²² These entry points should seek to engage families based on: needs at different points throughout the life cycle; practical and geographical access considerations; and with a focus on early engagement of families through primary service provision that is universally available and attractive to families, for example, early childhood education and care.²³ In this way, services which are universally available and commonly accessed serve as 'hooks', drawing families into the service system and 'laddering' them to additional supports and activities as wanted and required.²⁴

The Government's recognition of the importance of funding the integration of child care, maternal and child health and family support services in Aboriginal and Torres Strait Islander communities is positive. However, the amount allocated is manifestly inadequate to begin to implement the early childhood reforms proposed by the Forrest review. The figure of \$10 million is tokenistic, and represents a mere 0.13% of the total child care budget of approximately \$7.6 billion.

SNAICC strongly recommends significant expansion of the provision for integrated services. The roll out of this provision also must be efficient and support the maximum number of services. There are very effective recent models to draw from, namely the best practice Aboriginal and Torres Strait Islander Child and Family Centres. There is also developing research available on effective integration targeted at Aboriginal and Torres Strait Islander communities. Effective integration requires collaboration at various distinct levels, including 'regional and local service development (and) management and coordination.'²⁵

SNAICC recommends that the Australian Government evaluate the Aboriginal and Torres Strait Islander Child and Family Centre model and its roll out, to develop a plan for implementation of the integrated service component. Funding an integrated services coordinator in identified services, for example, would significantly contribute to integrated service outcomes. Expensive

imported models should be examined carefully. Many communities have strong capacity for integrated service provision and simply need the supports to enable them to effect their plans.

Apart from an increase in children attending child care – what other outcomes would you expect?

Where adequately funded and properly implemented, other expected outcomes would include;

- Increased family access to integrated services
- Improved outcomes under the Australian Early Development Census
- Improved transition to school outcomes
- Increased family engagement with child learning and development and
- Improved family well-being.

The *National Partnership on Indigenous Early Childhood Development* defines that ‘Early childhood experts advocate integrated delivery of services, including antenatal services, child and maternal health services, parenting and family support services, and early learning and child care, as the best delivery platform to ensure families actually receive the support they need.’²⁶

3.2.2 Element 2 - Sustainability support

Responses to Consultation questions

What viability issues do services face other than issues arising from low or fluctuating enrolments?

Aboriginal and Torres Strait Islander services face a range of viability issues, other than those arising from low or fluctuating enrolments. These include:

Families unable to pay fees

Mainstream, user-pays funding models are only viable where there is a strong market and consistent employment rates – thus enabling families to be able to consistently afford child care fees. Many Aboriginal and Torres Strait Islander services operate in particularly disadvantaged areas or areas of isolation where there is no viable market – and thus a lack of families who are able to pay fees for child care. Evidence from across Australia indicates that applying a user-pays model to these services will require fees to be raised to levels unaffordable for families attending the service.

These services operate as invaluable community hubs, helping to secure improved future outcomes for children, families and the community as a whole. Forcing these services to operate under a market based model is a contradiction. It will lead to service closure, cut back of essential services and exclusion of Aboriginal and Torres Strait Islander children.

Service example

Nurapai Kazil Centre on Horn Island, operating a playgroup, after school hour’s care, vacation care and long day care, has experienced significant difficulties with the user-pays basis of the CCB model. These have included:

- Enabling both staff and families to understand the CCB requirements

- Inability of a families to pay fees – either because they are on low-incomes, but also due to the lack of a ‘user-pays’ culture within the community – resulting in a significant barrier to families paying fees
- Resentment from families directed at the service over perceived high fees
- Significant administrative time to support parents to understand CCB requirements and
- Families not applying for CCB and then not paying the full fees.

The service has found that the CCB funded long day care service needs to be partially funded from the BBF budget, in order to keep running. However this still does not address the significant issues associated with non-payment of fees.

Whilst the service has had a held a number of meetings with the community to negotiate various options for repayment plans, including direct wage deductions, none of these options have been accepted by families in the community. The current situation is therefore that a number of families have incurred high debts. When faced with the option of having to shut down, the centre has opted to suspend the child instead. This is a last resort option and not ideal for anyone, but it has been necessary to keep the service running.

Service example

Thursday Island Child Care centre operates on both a long day care and after school hours program, experiences extensive difficulties in collecting fees from families. Some week’s families do not pay fees, which means that the service operates at a loss for that period. Families then have two weeks to pay the overdue fees, and after this their child’s participation from the service is terminated. The families cannot re-enroll at the service until they pay the overdue fees. This means that a number of children cannot participate at the service. The service management does not want to limit participation – but in order to continue operating they are forced to do this.

Services operating in areas with low employment

Even where services do operate in areas with viable labour markets, this does not guarantee that families will be able to participate in that market — as many Indigenous job seekers will attest. A ‘viable labour market’ is also no indication that a community is not experiencing disadvantage. The direct effects of colonisation persist today with entrenched disadvantage clearly visible in many Aboriginal and Torres Strait Islander communities through intergenerational trauma, lower rates of participation in education and employment, high rates of poverty, endemic dislocation, disempowerment and depletion of parenting skills caused by the Stolen Generations, and other harmful government policies and practices. Disadvantage is experienced by Aboriginal and Torres Strait Islander communities on many levels, and ‘The cumulative effect of historical and intergenerational trauma severely reduces the capacity of Aboriginal and Torres Strait Islander peoples to fully and positively participate in their lives and communities, thereby leading to widespread disadvantage.’²⁷ Thus, it cannot be reduced to a simple economic equation nor the existence, or not, of a ‘viable labour market’.

Transitioning Aboriginal and Torres Strait Islander services to the a user-pays model purely based on the existence of a viable labour market risks punishing and excluding children based on the circumstances of their parents. A more equitable early childhood system would instead start from the premise of what a child needs – rather than what their parents are eligible for or could financially support.

Enrolment fluctuations due to inflexible administrative requirements

The proposed model brings the potential for funding fluctuations due to sporadic and/or changing enrolment numbers, and a lag in family registrations, both of which create budgetary uncertainty. A number of Aboriginal and Torres Strait Islander services have communicated to SNAICC that enrolments change frequently throughout the year due to seasonal/environmental factors, because families migrate between areas for cultural or family reasons, and because families lose their CCB entitlement (for reasons such as not meeting CCB administrative requirements or exceeding the allowable absences). These factors all raise viability issues for the services concerned, if they are required to operate under a user-pays model.

Service example

Yawarra Child Care Service in Mount Druitt, NSW, frequently experiences fluctuating enrolments and income from fees, for example when families leave the service or their CCB percentage changes. There is often a lag, in some cases up to three weeks, between the change in family details and the service receiving this information. With government BBF payments being processed to the service in arrears, this means that the service often does not receive the right amount of CCB, and is underfunded.

Service example

The example of Yarrabah PCYC Out of School Hours Care, operating in a remote Aboriginal community in Queensland, demonstrates this. Commencing BBF funding in 2003, Yarrabah PCYC School Age Care is the sole provider of vacation and after-school care in the community. In 2005 the service was transitioned to mainstream child care benefit (CCB) funding. The registration and eligibility challenges of child-based subsidies have meant that since this transition the numbers have reduced from 130-150 children attending daily to 40-50 children.

Additional costs for BBF services due to incorporation within the National Quality Framework

BBF services, who currently sit outside the National Quality Framework, will also incur substantial costs (both temporary and ongoing) associated with being brought within the scope of the NQF.

These include:

- Increased costs due to need for higher staff numbers to meet staff/child ratios, which will also reduce the number of children who can attend
- Additional administration costs to comply with NQF requirements and
- Increased technology capacity and infrastructure to comply with NQF requirements.

What strategies do you think services could apply, with assistance, in order to improve their viability?

Aboriginal and Torres Strait Islander services do currently engage in efforts to improve their viability – including community fundraising activities, leasing out rooms to other service providers, and engaging with universities and other organisations to receive support and programs. Beyond this, however, it is unrealistic to expect most Aboriginal and Torres Strait Islander services to improve viability to the point that they are self-sustainable. Families generally contribute significantly in their own ways to the services. The package should recognise and support the contributions of families not apply a deficit approach and set families up to fail.

The economic and social disadvantage experienced in the areas in which Aboriginal and Torres Strait Islander services generally operate are long-term and entrenched. Within these areas, market-based child care services are not possible – as has been recognised through the BBF program. It is therefore likely that some services will require long-term support to operate. Australian society cannot afford not to do this – the longer term benefits to society far outweigh the cost of investment.

How should the department best determine the area in which a service operates? How far is a reasonable and realistic distance for families to travel to access care?

In the ABS 2011 Census of Population and Housing, households living in the most disadvantaged areas were more likely not to own a passenger vehicle compared with other households.²⁸ The Australian Institute of Family Studies indicates that ‘Transport options for Indigenous Australians in remote communities and communities located in fringe urban areas are limited. A significant proportion of Indigenous Australians living in remote areas [71%] have no access to public transport and one-third have no access to a car.’²⁹ The Institute further indicates that families with young children, those on low incomes, and the unemployed, also experience transport disadvantage, indicating that Aboriginal and Torres Strait Islander families experience cumulative disadvantage.³⁰ Moreover, this issue is not restricted to those living in remote locations:

...in non-remote locations, car access may be a concern for Indigenous people who typically have much lower access rates than non-Indigenous people (Currie & Senbergs, 2007). Nationally, over one-quarter (26%) of Indigenous people cannot access a vehicle when needed. Furthermore, in non-remote areas, 18% reported having no public transport...³¹

A large proportion of Aboriginal and Torres Strait Islander early childhood services therefore provide buses to ensure families can participate in their service. This, and the fact that many Aboriginal and Torres Strait Islander families will need to catch public transport to access services, need to be taken into account in determining the distance families can be reasonably asked to travel.

What would the definition of sole provider be?

It is vital that Aboriginal and Torres Strait Islander families be given choice between accessing an Aboriginal and Torres Strait Islander or a mainstream child care service. As discussed within section 3.2.1 above, services that are seen as culturally safe spaces, owned and run by the local Aboriginal or Torres Strait Islander communities increase access and participation for vulnerable Aboriginal and Torres Strait Islander families. Given this, **SNAICC recommends** that the definition of ‘sole provider’ encompass where an Aboriginal and Torres Strait Islander service may be the only Indigenous child care centre in an area.

Under what circumstances could exceptions be made for services operating in viable markets?

Refer to our response to questions in section 3.2.2.

3.2.3 Element 3 - Capital support

Responses to Consultation questions

What evidence should services provide to demonstrate they have arranged co-contributions for the project?

What evidence should services provide to demonstrate community support / buy-in?

Should there be differential support based on the service type or whether the service has for profit or not for profit status?

There should be differential support provided for services that are operating/seeking to operate on a not-for-profit basis within a disadvantaged community. For such services the cost of building or upgrading a service venue is likely to be financially impossible, and yet affordable services are most needed in these areas.

SNAICC further recommends that the expansion of capital support under the CCCF be expanded. The Productivity Commission identified in its recent early childhood review a 15,000 place gap to bring Aboriginal and Torres Strait Islander families on par with the child care access that other Australian families enjoy. Currently only 2.9% of Indigenous children participate in early years services, despite making up 5.5% of the population.³² This requires a 70% increase to ensure Indigenous children are on par with their non-Indigenous peers. Redressing low rates of Indigenous participation in early years services then offers a significant opportunity to genuinely Close the Gap for the next generation of children. Indigenous integrated early years services provide the best vehicle to do this. 80% of the 650 children participating in the early childhood education program within a NSW Aboriginal and Torres Strait Islander Child and Family Centre between June-December 2014, for example, had not accessed any program previously. Similarly for 65% of the 3150 adults accessing an integrated support program within these centres. This demonstrates the significant potential and early impact of community driven, integrated early years services.

The Productivity Commission proposed the subsidised creation of 20 services targeted at Aboriginal and Torres Strait Islander children each year. This could be supported through expanding the capital support provision of the CCCF to fund set up costs of new services in areas of need.

3.2.4 Element 4 - Access and affordability support

Responses to Consultation questions

How long should the grant be available for and what review mechanisms would best ensure the objectives of the element are met?

What evidence of 'efficient business practice' should be available?

3.3 Inclusion Support Program

Responses to Consultation questions

In a streamlined programme, what evidence would be required to access additional support, and what are the circumstances that would warrant an exemption from these evidence requirements?

Aboriginal and Torres Strait Islander services provide care for the most disadvantaged communities in Australia, and therefore generally cater for a large proportion of children with additional needs, including health and developmental issues.³³ Recent SNAICC research noted that most Aboriginal and Torres Strait Islander early years services had high numbers of children with additional needs, both diagnosed and undiagnosed, including:

- speech
- hearing
- behavioural
- occupational therapy
- developmental delays
- post traumatic stress disorder (PTSD)³⁴

Whilst some direct funding is currently provided for children with additional needs, this funding only applies where a child has a diagnosed additional need. No support is available for the significant number of Aboriginal and Torres Strait Islander children with complex behavioural or developmental disorders who have not received formal diagnosis.

Aboriginal and Torres Strait Islander children experience trauma which may not be a specific diagnosed condition, but is inter-generational, linked to colonisation - family violence, family breakdown, poverty and cultural loss. The Healing Foundation describes the occurrence of direct and secondary trauma:

Aboriginal and Torres Strait Islander children and young people may experience trauma through direct experience or secondary exposure. Direct experience occurs through abuse, neglect and exposure to violence (AIHW 2011). Secondary exposure for Aboriginal and Torres Strait Islander children and young people occurs through bearing witness to the past traumatic experiences of their family and community members as a result of colonisation, forced removals and other government policies. A key consequence of secondary exposure to traumatic experiences is intergenerational trauma (Atkinson, Nelson & Atkinson 2010).³⁵

Children then become the direct recipients of intergenerational trauma, thus experiencing trauma themselves which:

...has the potential to interrupt the normal physical, physiological, emotional, mental and intellectual development of children and can have wide-ranging, and often life-long implications for their health and wellbeing (van der Kolk 2005 & 2007). Prolonged exposure to chronic stress and trauma alters a child's brain development, continually activates a stress response and leads to hyper-arousal. The capacity to learn and concentrate, develop trusting, reciprocal relationships, regulate behaviour and make use of self-soothing or calming strategies is all severely impaired in children who have experienced trauma, including intergenerational trauma (Victorian Government Department of Human Services 2010). Without the necessary skills, many children grow into young people and adults who struggle with self-destructive, pain-based behaviours including aggression and violence, substance misuse, criminal acts, suicide, sexual promiscuity and inactive lifestyles (Atkinson, Nelson & Atkinson 2010; van der Kolk 2007).³⁶

Addressing intergenerational trauma is a community issue requiring a specialised and more strongly resourced response. Early intervention and support is critical if the cycle is to be broken; "If this

generation of children and young people are to have a different experience from their parents and grandparents, we must act to acknowledge and address their healing needs. Unless children and young people are able to heal from their own experience of trauma, many will go on to create a traumatic environment for their own children and the cycle of intergenerational trauma will continue.”³⁷

Aboriginal and Torres Strait Islander early years services are critical spaces for the provision of community and family support and healing. They create nurturing, family-style environments that support children and their families to overcome trauma. This unique approach requires more intensive staff support. From discussions and consultations with services SNAICC understands that most services endeavour to manage the higher needs of their children by providing higher staff-child ratios to ensure that children with additional needs are receiving appropriate support. These costs must be absorbed within already-stretched service budgets. The sheer high numbers of children with additional needs attending Aboriginal and Torres Strait Islander services is yet another indication of the difference required in approach and funding allocations for Aboriginal and Torres Strait Islander early years services, which would not be met under the mainstream ECLS program.

Service example

Noogaleek Multifunctional Aboriginal Children’s Service (MACS) has approximately 30 families dealing with family violence or an incarcerated parent. A number of these children have post-traumatic stress disorder (PTSD), are not confident, and require specific support and a much higher level of care. Supporting these children is therefore a major focus at the centre, requiring increased staff attention. Staff dedicate extensive individual time to children to help them gain confidence in a non-pressured, supported environment. The Coordinator believes it is critical that this one-on-one support occurs within the ELC before a child transitions to school, as the lower teacher-child ratio at school will most likely mean that children receive much less individual support and may therefore exhibit more severe behaviour.

Service example

The Tasmanian Aboriginal Child Care Association (TACCA), a BBF service operating in Launceston, provides flexible, individualised services for a high proportion of children with additional needs such as trauma, and/or family substance abuse and violence. TACCA is able to provide this additional support by keeping educator to child ratios high – sometimes raising them as high as one educator to two children when needed. Staff perceive that a shift to CCB would directly lessen their ability to budget for higher educator to child ratios when needed.

Service example

Bubup Wilam Child and Family Centre perceive that a major deficiency within the mainstream funding model is that it assumes that children and families do not have additional needs, and it doesn’t cater for families on low-incomes. This therefore ignores both the large number of Aboriginal and Torres Strait Islander children with additional needs, and the large number of families who are working but still on low-incomes.

The service currently has at least seven children with significant additional needs. Because their needs don’t fit within a formal diagnostic area, these children don’t qualify for an extra worker. The centre is not able to fund this independently. The service also has two children under the care of the Department of Human Services who have varied and serious additional needs/issues, for whom only one extra worker is provided. Staff feel that the intense needs of these children – requiring much staff time - has a

detrimental effect on the other children in the room. They also report that the administrative requirements for these nine children are significant and take up much staff time.

4 Child Care ICT System to Support Child Care Reforms

5 Other relevant issues

SNAICC would like to raise the following relevant issues that are not covered within the Regulation Impact Statement questions.

5.1 Reduce the administrative burden

SNAICC recommends streamlining the process for applying to components of the Child Care Safety Net so one three-year application only is required for access to all elements of the child care safety net. To access the support needed by participating children and families, the proposed reforms could potentially require services to apply across four different funding streams:

- Child care subsidy
- Child care safety net
- Community Child Care Fund
- Inclusion Support Programme

Aboriginal and Torres Strait Islander services operating in areas of high need and high disadvantage have neither the resources nor capacity to write and pursue numerous funding applications, year on year. Forcing services to continuously pursue funding to survive will mean that staff have less time to spend supporting children to grow and flourish.

5.2 Child Care Subsidy administration

SNAICC recommends increased flexibility be created within the child care subsidy.

Building in flexible administrative processes will ensure prescriptive requirements and administrative barriers do not cause vulnerable families to drop out of the subsidy system.

Aboriginal and Torres Strait Islander services report that inaccurate details frequently result in families having their CCB payments terminated. These include:

- Inconsistencies between a child and carer's Centrelink details and the service's records (often caused by misspelt or incorrect names and/or incorrect birthdates)
- Missing documentation such as immunisation records, birth certificates and/or employment details
- Lapsed immunisation
- Not notifying Centrelink of changed financial circumstances and
- Children changing residences. In many communities across Australia Aboriginal and Torres Strait Islander children frequently change who they live with. This creates difficulties with their CCB registration, as CCB requires that a child and carer's client reference numbers (CRNs) are linked.

Services have found that when children move house and carer, and the adult claiming child care benefit for the child therefore changes, this information is frequently not passed on to the service. This results in the families' CCB being terminated, and the service or family then having to cover the full fees, or the child dropping out because the family cannot pay the full fees. In some cases it has been reported that children change residence up to seven times per month.

Once they are cut off from CCB, families have 28 days to rectify any lapsed immunisation, inaccurate or missing data. However, services have explained that this often doesn't happen in time, resulting in families incurring higher fees. Families fall rapidly into debt, which becomes a major disincentive to continue early childhood education and care services. Furthermore, a number of services have indicated that families often don't communicate this information to services in time for services to readjust their fees once they stop receiving CCB on behalf of the families.

SNAICC recommends the following specific changes:

- Services should be notified of any issues arising that will impact a families' receipt of subsidy, allowing them to support the family to redress the issues and mediate on behalf of the family
- Services notified of changes to the situation of family under the Child Care Subsidy and the reason for the change
- Services can view what each family is entitled to. Currently services are working to a system that they are blind to
- Extend the period to rectify issues to 6 months.

Service example

Gundoo MACS has found that the CCB immunisation requirements and lapses have meant that many families have had their CCB eligibility cut off, resulting in them incurring higher fees or withdrawing the child because they can't afford the fees.

Service example

Gundoo MACS has found that the extensive CCB administrative burden can discourage families from applying for or continuing with CCB. Staff have found that to overcome this the service needs to provide administrative support to families to complete and update their CCB documentation – for example phoning Centrelink and/or assisting families to fill out forms.

Service example

Bubup Wilam Child and Family Centre are concerned that there is a significant delay in families reporting changes to income and/or personal situations to Centrelink, and these changes being processed to result in an ensuing drop in fees. The service has observed, for example, families whose income has dropped dramatically having to then wait months for this information to be processed, and their fees to be accordingly lowered. This results in the family either experiencing increased financial pressure, or incurring large debts from non-payment of fees.

For more evidence on the challenges presented to service viability by prescriptive administration requirements, see our comments in response to questions in section 3.2.2 – specifically the discussion under heading **Enrolment fluctuations due to inflexible administrative requirements**.

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- ³ Lawrence J (2005) Lifetime Effects: The High/Scope Perry Preschool Study Through Age 40 (pp. 194–215) in Schweinhart, Jeanne Montie, Zongping Xiang, W. Steven Barnett, Clive R. Belfield, & Milagros Nores, 2005, Ypsilanti, MI: High/Scope Press. 2005; Heckman (2008) *The Case for Investing in Disadvantaged Young Children*, retrieved 24 October, 2013 from:<http://www.heckmanequation.org/content/resource/case-investing-disadvantaged-young-children>; Allen, K. (2013). *Value for Everyone: Understanding the social and economic benefits of family support services*. Canberra: Family Relationships Services Australia., p.49.
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- ¹² Community Affairs Reference Committee, (2014). *Grandparents who take primary responsibility for raising their grandchildren*. The Senate. Canberra, 111.
- ¹³ Ibid.
- ¹⁴ Ibid.
- ¹⁵ Department of Social Services (2015). *Footprints in Time: The Longitudinal Study of Indigenous Children I Report from Wave 5*. Australian Government, Canberra, p83
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- ¹⁸ Brennan, D. (2013). *Joining the Dots: Program and Funding Options for Integrated Aboriginal and Torres Strait Islander Children's Services*. Options paper prepared for Secretariat of National Aboriginal and Islander Child Care (SNAICC), p. 13.
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