

Early Childhood Education and Care:

ABORIGINAL AND TORRES STRAIT ISLANDER CHILDREN'S NEEDS

The early years of a child's life are a critical predictor of later outcomes. Aboriginal and Torres Strait Islander peoples face persistent disadvantage linked to inter-generational impacts of trauma and discrimination. Consequently, children attain lower educational, health and wellbeing outcomes that flow on to negatively impact upon later education, and adult health, housing and employment outcomes. This contributes to the significant over-representation of Aboriginal and Torres Strait Islander people in child protection and criminal justice systems.

Integrating early childhood education and care (ECEC) programs with health, social and emotional supports for children and families has been identified as a key mechanism to break this cycle of disadvantage and achieve stronger outcomes. This requires much more than simply increasing the use and availability of ECEC services. To be effective, services must recognise and actively address the following needs:

Incorporation of identity and culture

Culture and identity form the bedrock of well-being and positive early development for all children. This is acknowledged in the Australian Government's National Quality Framework for early childhood education and care. Research highlights the importance of culturally appropriate ECEC for Aboriginal and Torres Strait Islander children and families. Meeting their needs requires services to acknowledge, incorporate, affirm and value Aboriginal and Torres Strait Islander culture in all that they do. Culture must be incorporated in everyday practice through a focus on developing children's identity, sense of belonging and pride within their community, family and culture. Using appropriate language, first languages and employing Aboriginal and Torres Strait Islander staff contribute to culturally appropriate practice and improve families' access and engagement with a service.

Strengths based approach

A strengths based approach to ECEC service provision builds on existing family and community strengths and expertise to develop children's and families' capacity, confidence and pride. It utilises Aboriginal and Torres Strait Islander culture and languages. Furthermore, a strengths based approach recognises that children's development cannot be viewed in isolation, but is intimately connected with

the development, strength and capacity of their family and community. It therefore requires active community and family participation.

Holistic and integrated service delivery

The provision of holistic and integrated service delivery has been identified as critical to increasing the benefits of early childhood services for children and families. A study by Flaxman et al (2009) found that for many Aboriginal and Torres Strait Islander families, 'engagement with a child care service is the only connection they have to service networks.' These services, therefore, provide a critical gateway for access to other supports. ECEC services will have the greatest impact where they comprehensively cater for children's developmental needs, whilst actively involving and supporting families and communities through mechanisms such as parenting and health services, cultural programs, information sharing and community events. These are not add-ons, but integral to service delivery, and are critical to meeting broader family needs. They are especially important for families who experience disadvantage resulting in lower capacity to seek support and navigate complex service systems..

Community controlled governance

A wealth of evidence demonstrates that service governance models that foster Aboriginal and Torres Strait Islander leadership and ownership lead to improved service delivery outcomes that directly benefit children and families. The principle of active participation of and engagement with Aboriginal and Torres Strait Islander communities is recognised within the National Indigenous Reform Agreement (NIRA) as fundamental in designing programs to effectively overcome disadvantage. 'Indigenous led and managed solutions' are also

a key platform for success identified within the National Framework for Protecting Australia's Children. Service governance models therefore need to support Aboriginal and Torres Strait Islander leadership and ownership, and incorporate active participation of and engagement with Aboriginal and Torres Strait Islander communities.

Community, not service focused

Evidence demonstrates that early childhood education and care services work best for Aboriginal and Torres Strait Islander peoples when they have a 'whole of community' approach, as opposed to a narrow focus on children's education. The important role of community Elders in decision-making, family support and the transmission of knowledge should be recognised and supported in the way services operate.. Respecting community and cultural leadership and relationships promotes community acceptance and family engagement with a service. Taking a community focus, ECEC services can also play a critical role as community development engines, supporting local employment, and fostering community strengths and community driven decision-making.

Overcoming barriers to access

Evidence indicates that beyond the critical aspects detailed above, barriers to Aboriginal and Torres Strait Islander families accessing ECEC services include high costs and a lack of transport. Service affordability is key, where Aboriginal and Torres Strait Islander peoples experience high levels of socio-economic disadvantage. Providing transport facilitates access, both in rural and urban areas. Without careful consideration of these two elements, services risk excluding those most vulnerable and in need of support.

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Aboriginal and Torres Strait Islander Early Childhood Education and Care:

EVIDENCE OF WHAT WORKS AND WHAT DOESN'T

In Australia we are fortunate to know not only 'what is wrong' but also 'what works' in providing early childhood education and care (ECEC) programs to Aboriginal and Torres Strait Islander children, particularly those most at risk of poor developmental and educational outcomes.

The Closing the Gap Clearinghouse¹ summarises the policies and practices that have been shown to be effective in overcoming Aboriginal and Torres Strait Islander disadvantage through ECEC programs:

WHAT WORKS?

- ✓ Early years programs that are well-resourced and based on sound evidence.
- ✓ Qualified and culturally competent educators who receive appropriate staff training and support.
- ✓ Targeted support to families and communities to enable them to be supportive and effective in their roles in children's lives.
- ✓ Learning environments, policies and practices that are culturally safe and supportive, and value local Aboriginal and Torres Strait Islander knowledge.
- ✓ Active involvement of Aboriginal and Torres Strait Islander families and communities in early learning programs.
- ✓ Early education providers holding high expectations for Aboriginal and Torres Strait Islander children.
- ✓ Strengths based approaches that build on and value the skills and strengths of Aboriginal and Torres Strait Islander children, families and communities.

WHAT DOESN'T WORK?

- ✗ Poor quality early education programs - particularly when combined with long hours of attendance and/or poorer home learning environments.
- ✗ Narrowly targeted service delivery offering few access points, and therefore likely to miss those children and families most in need of support.
- ✗ A lack of staffing continuity, stability and support mechanisms.
- ✗ Early learning programs that do not reflect the culture and knowledge of Aboriginal and Torres Strait Islander communities.

¹ Harrison, L., Goldfeld, Metcalfe, E. and Moore, T. (2012a) *Early learning programs that promote children's developmental and educational outcomes*, Resource sheet no. 15, Closing the Gap Clearinghouse. Canberra: Australian Institute of Health and Welfare and Australian Institute of Family Studies.

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Non-mainstream and mainstream early childhood funding:

UNDERSTANDING THE DIFFERENCES

'NON-MAINSTREAM' COMMONWEALTH FUNDING

There are two different early childhood education and care (ECEC) programs funding services specifically targeted for Aboriginal and Torres Strait Islander children and families:

1. Budget Based Funding (BBF) services; and
2. Aboriginal and Torres Strait Islander Children and Family Centres (ACFCs).

Both integral service types face insecure funding futures. Short-term funding and uncertainty are already limiting sustainable service planning and development. Failure to establish effective, sustainable and long-term funding streams in the immediate future would further undermine the significant supports they provide to children and families and their ability to engender real change for the next generation of Aboriginal and Torres Strait Islander children.

Budget Based Funding (BBF) services

Approximately 80% of the 337 BBF services are Aboriginal and Torres Strait Islander-focused. BBF services are diverse – including crèches, playgroups, family day care, out of school hours care, mobile services, Multifunctional Aboriginal Children's Services (MACS) and long day care. Whilst the range of services offered varies dependent on factors such as size, location and capacity, they generally offer programs well beyond conventional child-care, and generally aim to meet a broad range of local family support needs.

This can include: health services; family counselling; drug and alcohol support; parenting skills; children with additional needs; transition to school; transport; and outreach. Given this diversity, the funding needs of BBF services also vary greatly.

Only one BBF program funding increase since the 1980s has, in many services, led to a paring back of programs, poor infrastructure and resources, and less qualified staff. A two-tiered system of ECEC has now developed in Australia, with BBF services not currently included within the National Quality Framework due to concerns that they may not be able to comply.

The BBF program is currently being reviewed by the Federal Government. The objective of the review is to improve the program's efficiency within current funding parameters. Moving some services to mainstream funding is one option that has been raised. Current BBF funding agreements are due to expire on 30 June 2014. The BBF services are also coming within the scope of the Productivity Commission's review of childcare and early childhood learning, which will deliver its final report to Government in October 2014.

Aboriginal and Torres Strait Islander Children and Family Centres (ACFCs)

38 new Aboriginal and Torres Strait Islander Children and Family Centres have been established under the National Partnership Agreement

on Indigenous Early Childhood Development (2008) (NPA).

Similar to BBF services, ACFC's:

- provide integrated early childhood education and care and family support services;
- set up programs based on identified local community needs;
- are established with the intention to be community owned and driven;
- are located in communities of high Aboriginal and Torres Strait Islander population and disadvantage.

Federal establishment funding was provided with three years operational funding which ends in June 2014. The individual states and territories are administering the establishment of centres within their jurisdictions. There have been significant variations in service models and delays in some jurisdictions, with some centres only now opening, and some buildings yet to be constructed. Most centres are operating at least interim services. They are building strong relationships and service partnerships within their communities, and providing evidence-based, innovative and quality programs that are already making a positive impact in the lives of children and families. ACFCs in some jurisdictions have been told to prepare for mainstream funding post June 2014.

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'MAINSTREAM' COMMONWEALTH FUNDING

Child Care Benefit (CCB)

Child Care Benefit (CCB) is a means-tested subsidy designed to help eligible families with the cost of childcare. It can be paid directly to the service providers, reducing up-front fees for families. CCB is based on an hourly rate (maximum \$3.99 per hour), which is variable, dependant on factors such as family income, number of hours used and the type of child-care used. Parents employed, studying or training are eligible for up to 50 hours (or more in certain circumstances) per child, per week, while those who are not are eligible for 24 hours. Parents must pay the gap

between the CCB and fees charged. Special Child Care Benefit (SCCB) provides additional assistance where a child is at risk of serious abuse or neglect, or a family is experiencing exceptional short-term financial hardship. Initially SCCB is for 13 weeks, with potential extensions up to 52 weeks at the discretion of Centrelink.

Grandparent Child Care Benefit (GCCB)

is available covers the total fee charged for approved care (up to 50 hours per week) for eligible grandparents who are the primary carers of their grandchildren. Whilst many Aboriginal and Torres Strait Islander grandparents could be eligible for GCCB, the complexities of

demonstrating that they are primary carers deters many from applying.

Child Care Rebate (CCR)

Child Care Rebate (CCR) assists working families by covering 50 % of out-of-pocket-costs (less any entitlement to CCB). CCR is not means-tested. Families that spend the most on 'approved' services receive the highest level of assistance. Thus, those that can afford to outlay large amounts of money for a service benefit most from this rebate. For example, a family on a combined income of \$150,000 per year spend \$15,000 on childcare per year, so they are rebated \$7,500 through the CCR.

Why CCB does not work for Aboriginal and Torres Strait Islander families/services

CCB as core funding for BBF and ACFC services is inappropriate for a number of reasons.

1. Fees

The required out-of-pocket costs are not feasible for many families in communities in which these services are located. The significant poverty and disadvantage that many families continue to experience is well-documented.

For example, it has been estimated that at Galiwin'ku BBF service in East Arnhem Land, NT, the fee would need to be \$108 per day to break even under the CCB model. These fees are not sustainable in this community.

2. Incompatibility of objectives

The CCB/CCR model is based on an individualised market-based child-care system. This requires services to operate as viable commercial businesses, contrary to the aims of Aboriginal and Torres Strait Islander services to operate as community development engines. Under this system, children not able to pay would be excluded from the centre.

The mainstream model also focuses purely on child care – centering on the provision of early childhood education and to support parental participation in the workforce. Aboriginal and Torres Strait Islander services by contrast focus on providing holistic and integrated supports for children and families – including but also beyond child care. In addition, Aboriginal and Torres Strait Islander services generally cater for a larger proportion of children with additional needs, which often necessitate the service having a higher educator to child ratio. The CCB model provides no flexibility to account for this additional cost. Whilst services can access additional

funding for children with diagnosed needs, many children will not meet the criteria despite demonstrating developmental delays associated with the disadvantage, poverty and challenging home environments that are a reality for many Aboriginal and Torres Strait Islander families.

3. Administrative issues

Minor administrative errors, such as misquoting a Customer Reference Number or inconsistent name spelling, can lead to families missing out on CCB. This has significant impact given that 40% of Australia's population have poor levels of literacy, far higher in Indigenous communities with low educational attainment levels and/or where English is a third or fourth language. Furthermore, CCB permits a maximum number of allowable absences, after which CCB is terminated. Families are often unable to provide the supplementary documentation required to increase the number of allowable absences, which may be caused by important cultural practices such as Sorry Business, illness or because of families' transience.

4. CCB requirements

A number of requirements for services to be approved for CCB are inappropriate for Aboriginal and Torres Strait Islander services. For example, the stringent opening hour requirements (8 hours per weekday for at least 48 weeks per year) are inappropriate for many remote and rural services, such as a playgroup operating four hours per day. These requirements are based on a mainstream model where most children have at least

one parent in regular employment, where staffing ratios are easier to achieve, and where routine attendance at a service is the norm. Only parents who meet the work/study requirements (or fall into the other specific categories) can access care for more than 24 hours per week. CCB also requires that priority of access be given to families who are working or studying. Both of these requirements may have the effect of decreasing access for the most vulnerable children in a community.

5. Funding fluctuations

The CCB model brings the potential for funding fluctuations due to sporadic and/or changing enrolment numbers, and a lag in CCB registrations, both of which create budgetary uncertainty. Aboriginal and Torres Strait Islander service enrolments may 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, creating variability in the fees the service receives.

CCB – the real cost

Evidence from a number of BBF services, based on either real experience with CCB, or CCB forecasting, indicates that the impacts of CCB include:

- Lowered numbers of Aboriginal and Torres Strait Islander children attending
- Service budgetary deficits
- Raised fees to levels unviable for families

Aboriginal and Torres Strait Islander early years funding: THE NEED FOR CHANGE

There is currently a significant disparity between the Commonwealth Government's spending on mainstream compared to non-mainstream early childhood education and care (ECEC) services.

Annual expenditure is as follows:

Mainstream funding - \$6 billion

Mainstream means those ECEC services that have been approved by the state regulatory authority, and are therefore able to administer the Child Care Benefit (CCB) and Child Care Rebate (CCR).

A 40-place long day care centre in a major city might have an operating budget of between \$800,000- \$1,000,000 (including parent fees).

Non-mainstream funding - \$63 million

Non-Mainstream ECEC services derive the majority of their budget from state and Federal government funding. They are usually provided by not-for-profit organisations in areas where the market would otherwise fail to deliver any ECEC services, and are delivered mainly in rural, remote or Indigenous communities.

When divided between the 337 Budget Based Funding (BBF) services, this amount equates to approximately \$178,000 per service. This includes a diverse array of services, from multifunctional services to out of school hours care services that may require less funding.

Aboriginal and Torres Strait Islander Child and Family Centre's received start up funding in 2009 from the National Partnership Agreement on Indigenous Early Childhood Development, estimated at \$1 million per year for three years. This ends in June 2014.

SNAICC has not been able to access any more specific data from Government departments. A more complete breakdown of expenditure would significantly assist decision-makers assessment of early years funding.

Service coverage and gaps

Data from each state comparing Aboriginal and Torres Strait Islander child populations (aged 0-8) with the number of Aboriginal and Torres Strait Islander early childhood services (excluding Outside School Hours Care, which is targeted at school-aged children) shows a stark and fundamental deficiency in the number of services available.

There are a total of 189 Aboriginal and Torres Strait Islander early childhood services. There are 146,714 Aboriginal and Torres Strait Islander children

aged 0-8 years old across Australia, the majority of which require an early years service.

Of these 189 services, **74** are crèches or playgroups, which, whilst they provide critical services for their communities, offer care for a limited time only - often only a few hours a week. A further consideration is that services can be assumed to offer roughly between 8 - 35 places.

Implications

Under current funding arrangements, the BBF program is dramatically under resourced and stretched beyond capacity. This has significant implications for:

- attracting and retaining staff;
- the number of children the services can support;
- ability to service the high number of children with additional needs;
- the provision of essential programs and services within the community (i.e., transport and outreach services).

This capacity is further impacted by the absence of funding security, which means services and their staff cannot plan for the future.

Moving forward: Equity for Aboriginal and Torres Strait Islander children and families

Current Commonwealth expenditure for mainstream ECEC – through the CCB/CCR program, Preschool/Kindergarten funding, and Grandparent Child Care Benefit, provides a useful benchmark in considering the development of a more equitable program and funding model for Aboriginal and Torres Strait Islander integrated early years services.

Maximum Child Care Benefit
\$10,000 per child per year

Maximum Child Care Rebate
\$7,500 per child per year
TOTAL= \$17,500 per child, per year

Preschool/kindergarten funding

Preschool is free in several jurisdictions, funded and delivered by the government as part of the education system. Voluntary contributions may be required, however non-payment does not result in the child's exclusion.

Grandparent Child Care Benefit

Grandparent Child Care Benefit (GCCB) covers the total fees charged for up to 50 hours per week for each child in CCB approved care. It is available to grandparents who receive income support payments (e.g. Newstart, Age Pension) and who provide daily care for their grandchildren.

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Proposed model

Substantial additional investments in Aboriginal and Torres Strait Islander early years services are required to bring national investment into line with the funding of mainstream services. This is particularly urgent to reflect the national policy target to achieve 100% access to an early years service for Aboriginal and Torres Strait Islander children.

According to the OECD, direct supply side investment by governments in ECEC has been found to be the most desirable approach to funding as it results in optimal and uniform coverage, higher quality, and a higher degree of equity, access and participation when compared to parent subsidy models. The preschool

funding model here in Australia certainly provides a template for direct public funding of ECEC, and could be considered in development of funding models for BBFs and ACFCs.

An efficient and cost effective approach for the long-term would be to condense the two non-mainstream programs into one adapted program that would cover a range of Aboriginal and Torres Strait Islander early childhood and family support service types. Supporting service integration to strengthen families and communities requires identification of opportunities to channel existing funding for family support, Indigenous disadvantage, health and employment into the non-mainstream early years program.

Cost

An estimated \$200 million annually. This includes the existing \$63 million BBF program and unspent funding from the Aboriginal and Torres Strait Islander CFC's.

Proposed model

- **Clear and principled program criteria:**

- Incorporation of identity and culture
- Community controlled governance
- Strengths based, quality service provision
- Holistic and responsive to community needs
- Sustainability

- **Program objective:**

To work with local communities to provide integrated child, family and community centred services that offer flexible supports to Aboriginal and Torres Strait Islander children and their families. A core offering of all services should be quality early learning, led by Aboriginal and Torres Strait Islander people and delivered in a way that is culturally safe, respectful of local traditions and community-controlled.

- **3 year funding cycle**

"The BBFs and ACFCs are bedrock services for Aboriginal and Torres Strait Islander families around Australia. They deliver services in flexible, locally determined ways that match community needs and build on community strengths... they have tremendous potential to help 'close the gap' for Aboriginal and Torres Strait Islander children."

Brennan, D. (2013)

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