



Secretariat National Aboriginal and Islander Child Care

Aboriginal and Torres Strait Islander early years learning *Foundations for the future*

Every child deserves an equal start in life, but achieving this requires a range of different approaches. For many Aboriginal and Torres Strait Islander children, mainstream user-pay models for early childhood education and care only serve to put them further on the back foot. What works are culturally strong, holistic, flexible, integrated community based services. This is why we are concerned that the Australian Government – through fewer subsidised hours, less funding flexibility and no stable, long term funding under the *Child Care Assistance Package* – may deny many Indigenous children the benefits of integrated early childhood development services.

Increased Government investment in childcare is significant and welcome, however the way that funding is allocated must target those that need it most, including Aboriginal and Torres Strait Islander children. No further funding is needed, just programmatic adjustments to avoid unintended policy consequences and ensure we don't punish our children.

THE CONTEXT

Just 2.9% of children participating in Commonwealth funded early childhood education and care programs are Indigenous, while making up 5.5% of the population. With nearly half of all Indigenous children identified as vulnerable under the Australian Early Development Census, twice that of non-Indigenous children, a focus on change in the early years is fundamental to Closing the Gap. Not enough is being done to help get these kids into early years programs despite evidence that access to quality appropriate care in these formative years is a critical predictor of a child's successful transition to school and life-long education and employment outcomes.

Currently, approximately 270 'Budget Based Funded Services' and 38 'Aboriginal and Torres Strait Islander Children and Family Centres' provide holistic community based early years services for Indigenous children, in addition to a number of mainstream services. This falls far short of Indigenous service needs, with the Productivity Commission estimating a gap of 15,000 places and a funding shortfall that is obstructing access for those most in need.

Research demonstrates that these programs have the greatest impacts for vulnerable families, providing long-term well-being, productivity and cost benefits for society. They are the best strategy to increase early childhood service access and participation. 80% of the 650 children within one of the nine NSW Aboriginal Child and Family Centres in a 6-month period in 2014, for example, had not accessed any program previously. A recent report

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confirmed that increasing participation of vulnerable children in early childhood education and care services would amount to a \$13.3 billion benefit to Australia's GDP by 2050. This is a public benefit-cost ratio of \$2.69:1 (with international estimates much higher).

These services are also the best preventative measure to strengthen families and prevent child abuse and neglect. Increasing both service access and wider supports for children at risk would reduce child removal, particularly given that 44.4% of children in out-of-home care are removed by age four or under.

These early years services further generate employment opportunities and enable communities to get work ready in culturally appropriate, supported environments and secure jobs. Ballina and Logan Aboriginal Child and Family Centres alone have 28 and 27 Aboriginal and Torres Strait Islander staff respectively.

THE ISSUE

The Australian Government Child Care Assistance Package will apply a 'one size fits all' approach to the sector, forcing all services to operate under a mainstream, inflexible, user-pays model. Aboriginal and Torres Strait Islander Child and Family Centres currently have an estimated \$500,000 gap under the current mainstream model, at least half of which is for ECEC services. The Budget Based Funding (BBF) program – the specific program designed for areas where a user pay model is not feasible – is being abolished. 80% of services in this program are for Indigenous children. Abolishment then calls for a new model designed to support culturally grounded Indigenous services for populations experiencing vulnerability.

The Government is also halving subsidised access to families where parents don't meet work, training or study requirements. While the Child Care Safety Net will provide discrete measures through competitive tender processes to support participation of children from disadvantaged families, the details of this are not currently known. What we do know is that linking subsidies to parental employment status will limit access for children experiencing disadvantage, punishing children who stand to benefit most from early childhood support. There is also evidence that funding centres via parental entitlements rather than program needs raises serious administrative and program design issues. Services need the ability to plan for appropriate and flexible responses to child and family needs.

It appears that the new funding arrangements will set up countless bureaucratic barriers that evidence says must be removed to support service access for the most vulnerable. The stigma of applying for various disadvantage-based subsidies will also discourage many families from acknowledging Aboriginality and/or their child development needs to ensure they are eligible to apply for subsidies. The highly regulated prescription of service operation in the package also does not reflect the realities in many communities, including allowable absences and administrative requirements. These will see children fall between the cracks and drop out of services.

It is difficult to see how this package could redress, rather than exacerbate the 15,000 early learning placement shortage for Aboriginal and Torres Strait Islander children. In remote and disadvantaged areas, where there are high levels of unemployment and high numbers of single parent families, weak or non-existent labour markets – this model may see the closure of many centres. This ironically will reduce local employment opportunities.

By excluding Aboriginal and Torres Strait Islander children from adequate access to services, the Government will diminish their potential to make a smooth transition to school, compounding the likelihood of intergenerational disempowerment and unemployment. Children will fall behind before they have even started school and suffer greater risks of removal into out-of-home care.

THE SOLUTION

We need a system that encourages extra places and empowers Indigenous communities to develop the services they and the experts agree are needed.

1. An Indigenous community based program within the Child Care Safety Net can achieve this.

This program would have an integrated funded formula that provides services with the flexibility to respond to child and family needs where a user-pays model is insufficient. This would provide top up funding for operational costs to redress services' income gap from the mainstream subsidy and fees based on 3-year applications. Staff could therefore focus on children and family needs, rather than complex and uncertain funding systems that depend on parental capacity to manage Centrelink record keeping.

Having a specific program would assist accountability to program goals, ensuring that common objectives are agreed between services and the Government. It would ensure that the structures are in place for adequate staffing, resources and training to achieve service goals. Where services were funded properly, this worked well within the BBF program. This protects services and the Government, as well as increasing accountability for collective goals for children. An alternative Indigenous program protects the Government and families in areas where professional and community service capacity is still developing.

Other recommendations are to:

2. Retain the current minimum subsidies for families that do not meet the activity test with 48 hours per fortnight fully subsidised childcare.
3. Increase flexibility to ensure prescriptive requirements and administrative barriers do not cause vulnerable families to lose subsidies and quickly incur significant debt.
4. Retarget part of the \$10,000 for families on \$185,000 or more to help pay for early learning and care for Australia's most vulnerable children.

The table below addresses specific issues in more detail.

The child care reforms are a central opportunity for educating and empowering the next generation from a young age to close the developmental and educational gap for Indigenous children experiencing vulnerability. This opportunity must not be wasted.

Service case study

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: critical early learning; health and wellbeing; parenting; cultural pride and identity; transition to school programs; and connection to integrated support services.

Bubup Wilam has 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 to meet 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.

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). 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.

“The system needs to be set up to give people power to make decisions about their lives. Currently it does the opposite.” (Centre Director)

“[Through the work of Bubup Wilam Early Learning] we have gone from one Indigenous student in 2009 to last year we had 20 and we are now 5 per cent Indigenous So the transition for the students and their families is really great because it can be tricky ... to work with the Aboriginal community, understanding what do you want. Bubup Wilam have been fantastic as an advisory board particularly to me as a Principal.” **(Leon Bell, Principal, Thomastown West Primary School)**