



SNAICC

National Voice for our Children

SNAICC Submission to the Australian National Audit Office
examination of the design and implementation of the
Child Care Package

May 2019

About SNAICC

SNAICC – National Voice for our Children (SNAICC) is the national non-government peak body for Aboriginal and Torres Strait Islander children.

SNAICC works for the fulfilment of the rights of our children, in particular to ensure their safety, development and well-being.

The SNAICC vision is an Australian society in which the rights of Aboriginal and Torres Strait Islander children, young people and families are protected; our communities are empowered to determine their own futures; and our cultural identity is valued.

SNAICC was formally established in 1981 and today represents a core membership of Aboriginal and Torres Strait Islander community-controlled organisations providing child and family welfare and early childhood education and care services.

SNAICC advocates for the rights and needs of Aboriginal and Torres Strait Islander children and families, and provides resources and training to support the capacity of communities and organisations working with our families.

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1. Introduction

SNAICC – National Voice for Our Children (SNAICC) as the national peak body for Aboriginal and Torres Strait Islander children, has long understood the need for, and advocated for the provision of, quality and accessible early childhood education and care services. Early years service provision has a critical role in efforts to close the gap in outcomes between Aboriginal and Torres Strait Islander and other Australian children. Aboriginal and Torres Strait Islander children are twice as developmentally vulnerable as other children when they start school and at the commencement of the Child Care Package were only half as likely to access a government approved child care service.¹

The Child Care Package was established with the stated government policy intent to “create a simpler, more affordable, more flexible, and more accessible child care system.”² A “Safety Net” was established to ensure access for children and families experiencing disadvantage and vulnerability. SNAICC is deeply concerned that the Package is failing to achieve these goals, acting to exclude many of the most vulnerable children, reducing capacity of vital services, and undermining government efforts to close the gap by decreasing the engagement of Aboriginal and Torres Strait Islander children with early education and development supports.

Before and since the introduction of the Child Care Package, SNAICC has been consulting regularly with a large networks of child care service providers that provide services to a high proportion of Aboriginal and Torres Strait Islander children in every state and territory, to monitor and better understand the impact on children and families. Specifically, SNAICC has been hosting regular teleconferences with the network, has held face-to-face workshops and consultations and has distributed online surveys to obtain key data. SNAICC’s most recent survey closed on 10 May 2019. Fifty-three respondents including 24 former Budget Based Funded Services (BBFs), who provide ECEC services for a total of 1716 Aboriginal and Torres Strait Islander children across every Australian state and territory except the ACT, completed the survey.

The following are key issues that have been consistently raised across our engagement with services and reflected in survey outcomes.

2. Administrative burdens & issues accessing Centrelink

Services are consistently describing the enormous administrative challenges they are facing with registration for families, including a lack of information and support from Centrelink. Services are needing to spend extensive amounts of time assisting families with the registration process, and families are dropping out altogether because of the challenges with registration. Throughout our consultations services have voiced the need to have an Indigenous contact in Centrelink to assist them with their queries. One centre director told us that *‘you can’t just roll stuff out mainstream and expect Indigenous communities to cope.’*³ The increased administrative workload was cited in our

¹ Australian Early Development Census. (2019). Australia Early Development Census National Report 2018, Canberra: Commonwealth of Australia.

² Media release by The Hon Scott Morrison MP, ‘Jobs for Families child care package delivers choice for families’ accessible at <https://formerministers.dss.gov.au/15859/job-for-families-child-care-package-delivers-choice-for-families/>.

³ Child care provider QLD.

survey as the second greatest challenge for services as a result of the transition to the Package, closely behind the challenge of managing debts from families who are unable to pay, with 13 out of 24 respondents (54%) highlighting this challenge.

Many Aboriginal and Torres Strait Islander communities don't have access to adequate internet or mobile phone coverage, and many Aboriginal and Torres Strait Islander families affected by the Package do not have personal computers. For this reason, many services are telling us that centre managers are organising for each family to come into the centre, where the manager or staff members are personally setting up each family's Centrelink account. This process creates a very high burden of additional, unfunded administrative and family support work for services, that services have reported they need to address by either hiring additional staff or through overtime for current staff at a financial cost to the services, and a wellbeing cost for staff. Eight of the 31 services (26%) who responded to the survey question on the key reasons that children are accessing less hours of child care, said that families being unable to register with Centrelink is one reason why children are accessing less hours.

Another key theme raised throughout our consultations is the need for Aboriginal and Torres Strait Islander services to be funded for the holistic service provision they provide to meet the needs of the most vulnerable families. A reliance on the Package is jeopardising the integrated early education and care and family support model that characterises Aboriginal and Torres Strait Islander early years education and care services, to address family support and maternal and child health needs.

Community voices

- *The process for some families to apply for CCS has been very frustrating. Often families are being told different information each time they talk to Centrelink. They are spending hours on the phone or when they visit Centrelink they are just directed to the computers and no one that knows about CCS can help them.*⁴
- *A lot of stuff on the website is pre filled and people don't read it properly. If they make one mistake and submit it wrong, Centrelink won't tell you, it will just cease the child's enrolment after 8 weeks.*⁵
- *There could have been some illustrative clips or ads to help explain the changes to community (for English as second language).*⁶
- *If you don't understand how the system works, and the admin girl doesn't understand completely, it can get really messy.*⁷

3. Reduced hours of access for vulnerable children

Services have consistently told us that Aboriginal and Torres Strait Islander children are accessing a reduced number of hours of child care following the introduction of the Package. Specifically, 18 out of 31 (58%) of services that responded to a question about hours of access stated that children were accessing fewer hours of service. Only one service reported that children are accessing more hours

⁴ Child care provider NSW.

⁵ Child care provider QLD.

⁶ Child care provider NT.

⁷ Child care provider QLD.

following the introduction of the Package. This is a shocking outcome for SNAICC and many of the Aboriginal and Torres Strait Islander communities we work with as we know that our children were already accessing early years education services at half the rates of non-Indigenous children, and that access to quality early education and care services is the most powerful way to transcend disadvantage for our children. It runs counter to and undermines an extensive range of government policies intended to close the gap in outcomes for Aboriginal and Torres Strait Islander children.

Specifically, 14 out of 31 services (45%) told us that children were accessing less hours of child care because families were entitled to fewer subsidised hours of child care as a result of the Activity Test, and 39% indicated that it was related to increased out of pocket expenses. Given that SNAICC's early years network supports a high proportion of the most vulnerable children and families across the country, these findings demonstrate that the Activity Test is excluding children from the most vulnerable families from accessing child care, which will widen the already large gap in access between Aboriginal and Torres Strait Islander and non-Indigenous children.

Services reported that 34% of families were only entitled to up to 24 or 36 hours of child care per fortnight. The minimum service entitlement prior to the introduction of the Package was 48 hours per fortnight. These findings reflect that at least 34% of families are entitled to fewer hours than before. Notably, 28% of children attending former BBF services were reported as being subsidised for only 24 hours per fortnight. Prior to the introduction of the Package, these services were providing up to five days per week of child care for these children, indicating a large reduction.

Services are consistently telling us that the 12-hour minimum subsidised hours only equates to one full day of child care in a week, and consistently describing how challenging it is to tell families in difficult circumstances that their children are entitled to only one day. With the best intentions, services are reporting that they are providing extra hours of unfunded care to vulnerable children in these circumstances, and are losing money because of it.

Community voices

- *The babies' room is the worst. We used to have 8 babies and now because of the Activity Test we only have 4.*⁸
- *Being in a remote community in the middle of Australia, it has been hard to tell our parents that this isn't what we want, it's the government doing this, and that it's happening across Australia for all child care services and centres.*⁹
- *If there were any positives we would not be losing children due to the new package.*¹⁰
- *It does not cater for our community at all.*¹¹

4. Families dropping out altogether

Twenty-one out of 31 services (68%) that responded to a question about family drop out report that families have dropped out of attending their service following the transition to the Package. Services

⁸ Child care provider QLD.

⁹ Child care provider NSW.

¹⁰ Child care provider QLD.

¹¹ Ibid.

report that increased out-of-pocket expenses and a reduction in the number of hours families are entitled to are amongst the triggers for family drop out. Services also told us that families drop out because they cannot afford to pay for the unsubsidised hours of child care and because of frustration at trying to meet the administrative requirements to register for the new system.

Community voices

- *10-15 children have gone. They find the new system difficult to navigate.*¹²
- *5 families have dropped out. Mostly due to out of pocket costs, the amount of hours families are entitled to and issues with CCS and not understanding the new child care system.*¹³
- *5 children have left. Families are not entitled to as many hours subsidised and cannot afford it.*
- *3 grandparents who used to place their grandchildren in care to know they are safe when they are working are not entitled to CCS as they do not receive the parenting payments for the child. We have made application for ACCS funding for these families and had a 50/50 success.*¹⁴
- *A lot of our Indigenous families have dropped out as its too much of a complicated process for them.*¹⁵

5. Reduced attendance rates threatening service viability

The reduced service attendance rates have led to many Aboriginal and Torres Strait Islander services raising high concerns about their long-term financial viability. Services are consistently telling us that if things continue as they have been, they will need to revise staffing levels, which they are reluctant to do due to issues including the difficulty of hiring and maintaining good staff in regional or remote communities, and the need for high staff to child ratios to support cohorts of children with high additional needs, trauma, and developmental vulnerabilities.

The previous Budget Based Funding model was easier for services to navigate, because they knew exactly how much money they had available every three months, and could budget accordingly. 'Managing debts from families who are unable to pay' was noted in the survey as the greatest challenge so far for services as a result of the transition to the Package, with 16 out of 24 services (67%) who responded to the question highlighting this challenge. Further, 60% of services disagree or strongly disagree that they are in a better financial position as a result of the introduction of the Package. High concerns over financial viability has led to some services feeling pressure to change their focus to service non-Indigenous and better-off families. This has extremely negative implications as services become less safe and comfortable to access for Aboriginal and Torres Strait Islander families.

¹² Child care provider NSW.

¹³ Child care provider SA.

¹⁴ Child care provider NT.

¹⁵ Ibid.

Community voices

- *We used to have around 95% attendance with BBF funding with the new package and all the rules around hours, fee subsidy, hours of attendance we are at 60% if this continues we will have to look at reducing staff.¹⁶*
- *All the MACS services in NSW are not happy with the new Child Care Package but as always we have to fit in. The activity testing is jeopardising our children. Once our services were fully booked with a waiting list. Now we are three quarters full with no waiting list. The 5-year plan the Government is giving us to survive they will see the outcome of the MACS services closing.¹⁷*
- *As an Aboriginal service we provide quality care, education and a sense of belonging to community. We comply with national regulations. The service is having to worry about meeting the bottom dollar rather than educating and developing children's needs to give them the best possible start for their schooling years. Our centre may never be fully sustainable due to affordability, which means we could potentially be insolvent and reduce access to education.¹⁸*
- *This has been the worst thing to ever happen to Indigenous focussed early childhood services. I do not believe MACS centre should have been included in this child care reform. We are losing our identity trying to survive and compete in a mainstream world.¹⁹*
- *Some services in remote areas of QLD have had to shut down.²⁰*

6. Challenges accessing the Additional Child Care Subsidy (Child Wellbeing)

Services have also raised high concerns over the accessibility of ACCS (Child Wellbeing) in providing additional subsidised hours for vulnerable families. Fifteen out of the 27 services (56%) that responded to the question around accessing ACCS report that not all of the children that need the additional hours are able to access the ACCS. The main barriers reported to accessing the ACCS are not having services to refer families to meet the referral requirement, and not being able to gather the required evidence.

Services have also highlighted the administrative burden involved in registering families with ACCS and consistently told us that the process is so complicated that they cannot apply. Services are required to know when each individual child's ACCS date is up, to ensure they have time to reapply, which puts an additional strain on services. Some services have reported that families are accruing significant debts while they are waiting on ACCS determinations. The challenges to access the ACCS are deeply concerning, as it was viewed and understood in the design of the package as a key Safety Net measure that would enable services for the most vulnerable families to maintain or increase the engagement of and support of those children. All indications suggest that it is not achieving this purpose.

¹⁶ Child care provider QLD.

¹⁷ Child care provider NSW.

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ Child care provider QLD.

Community voices

- *Since the transition we have had 5 successful ACCS certificates and 2 determinations. The biggest challenge being gathering the evidence to support the issuing of a determination. In the remote context, getting the third party evidence and a letter has been challenging.*²¹
- *Our service has experienced difficulty in applying for determinations for the children that have been referred to our service by Department for Child Protection and other child protection agencies. We have had issue following up these as CCS helpdesk do not have access to ACCS side of things and cannot explain why children were rejected when siblings referred under the same agency and supporting documentation were approved. In addition, the system for applying for certificates and determinations is confusing and once rejected causes issues re application of determinations.*²²
- *After the initial application for a child and our service being accused of possibly defrauding the Government and the parent not being eligible for the CCS rebate and may incur a debt with Centrelink, we have not applied for any other child, even though we followed all the correct steps and supplied all the correct documentation as required.*²³
- *To meet the needs of our community, we would like to apply for ACCS for all our families.*²⁴

7. Negative implications of the 42-day absence rule

Another major issue with the Package is the rule that children are only entitled to 42 days of absences per calendar year, before their enrolments are ceased. Services have told us that this rule is inappropriate for Aboriginal and Torres Strait Islander communities, where children are often required to be absent for a variety of cultural reasons, as well as for reasons related to family stress and challenges. For example, children are often required to have a minimum of 10 days off if someone in community passes away. The 42-day rule is also problematic because it does not take into account public holidays, and when public holidays are considered, the allowable absences are actually significantly less than 42 days.

Community voices

- *The 42-day rule is a nightmare. We have just had one child hit over 42 days. How do you explain to the parents that if she wants to keep coming she has to pay full fees? 42 days easily add up when kids are sick. This is impossible for Indigenous communities, you need minimum 10 days off when someone dies. Indigenous communities should be exempt.*²⁵
- *Because of the 42-day rule we haven't booked anyone in as permanent, we are booking them in as casual. But we are losing out because some of the regular people can't claim when they are sick. A lot of families are affected by cultural and sorry business. 42 days doesn't go far.*²⁶

²¹ Child care provider NT.

²² Child care provider SA.

²³ Ibid.

²⁴ Ibid.

²⁵ Child care provider QLD.

²⁶ Child care provider NT.

- *Cultural inclusion needs to be recognised in additional absences. People travel far distances often for sorry business. It takes a long time to get home again because they don't have money and they need to wait for a new paycheck. They can be away for weeks.*²⁷
- *The 42-day rule fails to address the complexity of Indigenous culture, including time to attend cultural events, such as funerals and cultural camps.*²⁸

8. Conclusion

SNAICC believes that all children should have access to quality early years education services that support their development and give them the opportunity to thrive. However, the introduction of the Package has had devastating impacts on Aboriginal and Torres Strait Islander children and community controlled education and care services. The introduction of the Activity Test halves the minimum subsidised hours of child care to just 12 hours per week for our low income families, which means that children who are experiencing vulnerability and stand to benefit the most from vital early learning have reduced access to it. SNAICC is therefore calling for an Activity Test exemption for Aboriginal and Torres Strait Islander children, to provide up to 30 hours per week of child care. This is an essential special measure if we are to close the gap in access and outcomes for our children. The introduction of the Package has resulted in enormous administrative burden for Aboriginal and Torres Strait Islander community controlled early education and care services and other service providers supporting significant numbers of Aboriginal and Torres Strait Islander children, who are already struggling to provide the extra supports necessary to ensure children are provided with appropriate care. The fact that so many of our children are attending less hours of care and are leaving services altogether is clear evidence that the Package is not working for our communities.

²⁷ Child care provider SA.

²⁸ Child care provider NSW.