



## **SNAICC position on COVID-19 recovery reforms to strengthen early years supports for Aboriginal and Torres Strait Islander children**

### **Introduction**

The impacts of COVID-19 have exposed and exacerbated weaknesses within the early childhood education and care (ECEC) system that disproportionately impact on Aboriginal and Torres Strait Islander children and their families. Following the near collapse of the ECEC sector early in the crisis, government relief packages have helped to sustain most services at a reduced capacity, though with many experiencing high financial stress. The system's unpreparedness for the crisis resulted in high disruption and uncertainty for service providers and families that will have long-term repercussions.

Some relief measures have had promising results with services reporting increased engagement of some Aboriginal and Torres Strait Islander families following the introduction of free child care and the removal of administrative barriers associated with accessing the Child Care Subsidy (CCS). In the COVID-19 recovery period, vulnerable families will be experiencing greater stress and economic hardship. In this context, a fast return to 'business as usual' would be extremely detrimental – the design and readiness of the ECEC system to meet the needs of vulnerable families has never been more important.

The issues for Aboriginal and Torres Strait Islander children, vulnerable families, and remote communities are often invisible within a system that is geared towards a market based model of child care for working families. The crisis has exposed that the ECEC funding model is not well equipped to meet the support needs of families experiencing high vulnerability, and indeed the needs of families who become vulnerable due to the social and economic impacts of emergency and crisis situations. The crisis presents a vital opportunity to reform the system in a way that can sustainably address the unique needs of Aboriginal and Torres Strait Islander children and families. This will help mitigate the far-reaching social and economic impacts of COVID-19, prepare the system for future crises, and contribute to broader goals of Closing the Gap in early childhood participation and outcomes for Aboriginal and Torres Strait Islander children.

SNAICC is calling for the following essential recovery and long-term reform measures:

1. **A 2 stage transition and recovery phase** that:
  - (a) maintains free child care for all children until at least the end of September with upward revised provider payments to match increasing demand;
  - (b) makes available at least 30 hours of free child care per week for all children until June 2021; and

- (c) retains the increased number of 62 allowable absences until June 2021 to account for continuing uncertainty and unpredictable issues impacting attendance.
2. **An end to the Activity Test**, preferably on a permanent basis due to the fact that it excludes vulnerable children who benefit most from ECEC supports, but at least on a suspended basis during the COVID-19 transition and recovery period to June 2021.
3. **Permanent reform measures by June 2021** that:
  - (a) provide at least 30 hours of free or 95% subsidised care per week for all Aboriginal and Torres Strait Islander children as an ongoing measure to Close the Gap in ECEC attendance and AEDC outcomes;
  - (b) introduce an alternative community focused funding program for Aboriginal and Torres Strait Islander ECEC services that recognises their unique role to provide cultural integrated early childhood development supports to children, families and communities; and
  - (c) establish a workforce and service development initiative for Aboriginal and Torres Strait Islander early years services with a focus on funding local Aboriginal and Torres Strait Islander traineeships and qualifications, inclusion of services within the National Quality Framework, and new service establishment in geographical areas where families have high vulnerabilities and low ECEC access.

## COVID-19 impacts on ECEC for Aboriginal and Torres Strait Islander children

Since the crisis began, SNAICC has been hosting fortnightly teleconferences attended by approximately 20-25 Aboriginal and Torres Strait Islander early years services as well as speaking daily with individual service providers to understand the impact that COVID-19 has been having on ECEC services for Aboriginal and Torres Strait Islander children.

The COVID-19 pandemic has presented the sector with an enormous challenge, to continue welcoming the families who need ongoing education and care, while operating on only half of their usual CCS income, and simultaneously ramping up health and hygiene measures to provide a safe environment for educators and children. Aboriginal and Torres Strait Islander people over 50 have been identified as being at the same risk from COVID-19 as non-Indigenous people over 70 – and this has impacted the Aboriginal and Torres Strait Islander ECEC service workforce aged over 50, as well as younger workers who have been concerned about spreading the virus to Elders and vulnerable members of their communities.

The introduction of key relief measures, particularly the Child Care Relief Package, JobKeeper and the Exceptional Circumstances Payment scheme, have saved services from collapse and allowed a level of vital service to continue. However, many services have suffered acute financial harm and distress due to reduced income and delays in receiving funds under the relief measures. These impacts have been highly variable across the sector with key concerns raised including:

- The determination of Relief Package funding based on 50% of CCS income during the two-week pre-COVID-19 reference period has not worked as a one size fits all approach. Some communities, particularly in remote and island locations have been insulated from COVID-19 impacts and attendance has remained high and in some cases increased to above pre-COVID-19 levels, resulting in high financial stress for

services. For some, attendance has escalated in late April and early May as some restrictions ease. Other services had recorded low attendance in the reference period due to exceptional circumstances such as Sorry Business in the community or in one case a flood in the region in February, leading to inadequate Relief Package income.

- A significant number of Aboriginal and Torres Strait Islander ECEC services were ineligible for JobKeeper due to being part of larger health and community service organisations that maintained other streams of government funding and so didn't meet the revenue reduction criteria. The Department of Education, Skills and Employment (DESE) confirmed late in April that these services could access Exceptional Circumstances Payments, but the delay has caused high financial stress and by mid-May some services had still not received additional relief payments and reported that they may need to close in the near future.

There have also been a range of positive impacts of the relief measures, including in some cases that Aboriginal and Torres Strait Islander families who weren't previously attending have used a service and that some families have used increased hours of service, supporting the wellbeing and development needs of vulnerable children in the community. This has resulted from the removal of key factors limiting Aboriginal and Torres Strait Islander participation in ECEC before the crisis. These included the administrative challenges for vulnerable families to enrol, to access their base entitlements, and to access the Additional Child Care Subsidy for families experiencing vulnerability. Another major factor was the application of the Activity Test that excluded many vulnerable Aboriginal and Torres Strait Islander children from access beyond a minimal 12hrs/week due to their parents' employment status. Table 1 below describes the pre-COVID-19 impact of these measures based on SNAICC sector survey data.

*Table 1 – Pre-COVID-19 impact of the Child Care Package on Aboriginal and Torres Strait Islander participation in ECEC (SNAICC Sector Survey Data: May 2019)*

<b>Child Care Package Impact</b>	<b>Service Responses</b>
Aboriginal and Torres Strait Islander children accessing less hours of care since June 2018	18 of 31 services (58%)
Aboriginal and Torres Strait Islander children accessing more hours of care since June 2018	1 of 31 services (3%)
Hours of access for Aboriginal and Torres Strait Islander children reduced because of the Activity Test	14 of 31 services (45%)
Aboriginal and Torres Strait Islander families dropping out of the service since June 2018 <i>(primary reasons: reduced subsidised hours entitlement, out-of-pocket costs)</i>	21 of 31 services (68%)

## What temporary COVID-19 recovery measures are needed to sustain a high level of quality ECEC supports for Aboriginal and Torres Strait Islander children?

Aboriginal and Torres Strait Islander families who already experience higher rates of poverty are certain to face increased unemployment and financial hardship for a significant period given the immense impact of COVID-19 on business, jobs and the broader economy. Unemployment in Australia is forecast to remain well above pre-pandemic levels for at least the next two years (Reserve Bank of Australia, 2020). Unless and until a vaccine is developed and widely available, potential future COVID-19 waves threaten to inflict further health and financial harm on families and communities, and could again cripple an unprepared ECEC system. In this context, the ECEC system must reorient to play a vital role in promoting development and wellbeing for Aboriginal and Torres Strait Islander children and supporting recovery for families experiencing financial and life stressors.

Access to ECEC must not only provide care when parents are working, but must provide parents and carers the opportunity to proactively seek employment and reskill in a post COVID-19 economy. ECEC will also provide respite from home environments impacted by heightened stress, which has been linked with increased risks of family violence during the crisis. For children, their education and development has been disrupted while many have not been attending supported early learning environments, and they will require additional supports to be on track and ready for learning at school. Evidence is clear that high-quality early childhood education amplifies children's development and enhances lifelong emotional wellbeing. This is particularly true for children who experience disadvantage early in life (McLachlan, Gilfillan & Gordan, 2013).

An environment of unstable and reduced employment opportunity renders the premise of the Child Care Activity Test obsolete. A COVID-19 responsive ECEC system must be premised on supporting children's development and supporting their families when they are out of work, rather than reducing entitlements because of unemployment. The Additional Child Care Subsidy (Temporary Financial Hardship) is an inadequate and cumbersome measure to deal with widespread financial stress, and the Additional Child Care Subsidy (Child Wellbeing) has been regularly criticised for the way that it labels families and children as vulnerable and instils fear in Aboriginal and Torres Strait Islander families that referrals will lead to child protection intervention. A more flexible, child development focused system, that provides a base entitlement of access for all children is required throughout the recovery from COVID-19.

### **Recommendations**

1. **A 2 stage transition and recovery phase** that:
  - (a) maintains free child care for all children until at least the end of September with upward revised provider payments to match increasing demand;
  - (b) makes available at least 30 hours of free child care per week for all children until June 2021; and
  - (c) retains the increased number of 62 allowable absences until June 2021 to account for continuing uncertainty and unpredictable issues impacting attendance.

2. **An end to the Activity Test**, preferably on a permanent basis due to the fact that it excludes vulnerable children who benefit most from ECEC supports, but at least on a suspended basis during the COVID-19 transition and recovery period to June 2021.

## What long-term reform measures are needed to ensure Aboriginal and Torres Strait Islander children thrive in their early years post Covid-19?

All Australian Governments are on the verge of entering an historic new Closing the Gap Agreement with Aboriginal and Torres Strait Islander peoples with ambitious draft targets to improve outcomes for Aboriginal and Torres Strait Islander children in the Australian Early Development Census (AEDC). Even before COVID-19 impacted families and communities, it was clear that this target could only be achieved through dedicated reform and investments to address the large gap in access to quality early education for Aboriginal and Torres Strait Islander children. Such a reform program would align with the broad base of evidence that confirms that access to quality early years education is a critical predictor of school readiness and educational success.

Aboriginal and Torres Strait Islander children remain under-represented in early childhood education and care (ECEC) services— they start early education later and attend fewer hours compared to non-Indigenous children (SCRGSP, 2020). Aboriginal and Torres Strait Islander children were 25 per cent less likely than non-Indigenous children to attend a government approved ECEC service in 2019 (SCRGSP, 2020). This is due to a number of barriers including:

- Individual barriers that concern the complex needs, circumstances, experiences and expectations of families and children, such as the high number of children in the family, employment, income levels, discrimination, housing instability and preventable health conditions (Biddle & Bath, 2013; Hewitt & Walter, 2014);
- Service barriers that cover service quality and cultural competency (Biddle, 2007; Trudgett & Grace, 2011; Wise, 2013);
- Social and neighbourhood characteristics of the local community that include issues like the transient nature of a community, poor living conditions, the level of community distress or isolation of a community (Biddle & Bath, 2013; Kellard & Paddon, 2016); and
- Cultural barriers that cut across all areas and are pivotal. These barriers centre around a lack of trust and low cultural competence (Bowes & Grace, 2014; Kellard & Paddon, 2016; Trudgett & Grace, 2011), as well as limited use of Aboriginal and Torres Strait Islander languages in programs, especially in remote areas.

Evidence suggests that the key factors in overcoming these access barriers are:

- Aboriginal and Torres Strait Islander ownership of services;
- Local Aboriginal and Torres Strait Islander employment;
- Culturally safe and competent service environments.

(Arefadib & Moore, 2017; Emerson et al., 2015; SNAICC, 2012)

A user-pays, individual child focused funding model is an ineffective means to address the broad family, community, cultural and social factors that inhibit the early childhood development of Aboriginal and Torres Strait Islander children. The Child Care Package fails to understand and recognise that Aboriginal and Torres Strait Islander ECEC services have a different purpose to other services. Their aim is to support the wellbeing of the most vulnerable children and families in the community by reducing the service access barriers that many Aboriginal and Torres Strait Islander families experience in the mainstream system.

The Child Care Subsidy system presents additional barriers for families and unnecessary administrative burdens for services for Aboriginal and Torres Strait Islander children. These issues are all the more evident in rural and remote Aboriginal and Torres Strait Islander communities where high rates of poverty and lack of employment opportunities mean that there is no viable child care market. Since the introduction of the Child Care Package, Centre Directors and staff have undertaken many hours of additional, unfunded administrative and support work to assist families to enrol and access subsidies, at a financial cost to services and a wellbeing cost to staff.

The Community Child Care Fund (CCCF) fills the viability gap and enables a continued level of services for a significant number of Aboriginal and Torres Strait Islander services that have access to it. However, the CCCF currently operates as a stop-gap measure to continue child care provision in non-viable markets within a system that is misaligned to the needs of Aboriginal and Torres Strait Islander families, in lieu of establishing a fund that is designed and dedicated to support the provision of integrated Aboriginal and Torres Strait Islander early childhood services. A new funding model is needed that provides both a base entitlement for Aboriginal and Torres Strait Islander children attending any ECEC service, and a separate community focused funding program designed for services that primarily support Aboriginal and Torres Strait Islander children, families, and communities.

COVID-19 related impacts on the Aboriginal and Torres Strait Islander workforce have also further exposed gaps in the development of early childhood skills and qualifications for Aboriginal and Torres Strait Islander people at the local level. Some services are currently facing staff shortages as workers from outside the local community have left during the crisis. A sustainable Aboriginal and Torres Strait Islander early years workforce is essential to supporting the social, emotional and cultural development of Aboriginal and Torres Strait Islander children. Research shows that children and families feel safe and supported and attendance increases when Aboriginal and Torres Strait Islander workers are present in a service. (Kellard & Paddon, 2016).

**Recommendations:**

3. **Permanent reform measures by June 2021** that:
  - (a) provide at least 30 hours of free or 95% subsidised care per week for all Aboriginal and Torres Strait Islander children as an ongoing measure to Close the Gap in ECEC attendance and AEDC outcomes;
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