



# C&K's Response to Child Care Assistance Package Regulation Impact Statement (RIS)

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The Crèche and Kindergarten Association Limited t/a C&K  
257 Gympie Road  
KEDRON Queensland 4031  
ABN: 59 150 737 849  
TELEPHONE: 1800 177 092

## **C&K's Response to Child Care Assistance Package Regulation Impact Statement (RIS)**

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### **Crèche and Kindergarten Association Limited (C&K)**

C&K is a leading, not-for-profit early childhood education and care provider with more than 107 years of experience. C&K is proud to support more than 20,000 children, 6,000 families and 2,000 staff.

C&K holds a unique place in the Queensland ECEC sector as we operate seven types of ECEC programs:

1. stand-alone preschools, and preschool programs integrated into long day care
2. long day care
3. family day care
4. limited hours care
5. in home care
6. outside school hours care
7. integrated children and family services

C&K services are seen in many communities as long-standing, independent community hubs and are the ideal platform from which expand into more formally integrated services.

### **C&K adopts the Early Learning and Care Council of Australia's (ELACCA) principles**

- *All* children benefit from quality early learning and vulnerable children stand to benefit the most but are the least likely to attend. All children should have access to affordable quality early learning.
- Parents that are the primary carers of very young children (ie under the age of six) need access to regular affordable child care in order to participate in any activities that would help support their workforce participation. It is important to recognise that a lack of access to regular affordable child care will prevent mothers from accepting opportunities that could lead to regular paid work.
- The eligibility criteria should aim to capture the wide variety of family circumstances in families where parents are working or looking to return to work and improve their employment prospects.
- Transitional arrangements within the subsidy must be developed to ensure families that move between steps of activity and / or types of activity and / or income and / or intensive subsidy support do not incur debts with the Government or experience sudden reductions in access to subsidy or increases in their out-of-pocket costs.
- The overall system should be as simple as possible for families and services.

## Families whose children stand to benefit most - will be worse off

C&K is very appreciative of the continued opportunity to have input into how the Australian Government will best meet the needs of children in early childhood education and care into the future.

For the most part C&K welcomes the proposed additional into investment and aspiration to streamline processes.

**C&K's key concern, however, remains with families experiencing disadvantage:** we are concerned many of the families who stand to benefit most from early childhood education and care will be worse off.

The ECEC sector is aware that segments of our population are under-represented in their participation in early education.

Nationally –

- 38% of children with a disability are missing out on preschool
- 39% of children from non-English speaking backgrounds are missing out on preschool
- 35% of Aboriginal and Torres Strait Islander children are missing out on preschool

Increasing the participation of these families requires a focus on community awareness of the benefits of early education, as well as engagement to build trust and overcome cultural barriers. C&K believes the Child Care Assistance package as currently proposed instils additional barriers for

- families who do not meet the proposed 'Step 1' activity test (8 to 16 hours), and/or
- may not be able to confidently navigate the system of proposed exemptions and safety net

C&K believes the proposals have improved significantly since the government first began consulting. The feedback contained in this submission, together with the feedback of C&K's colleagues, will help finalise a package that can better balance the dual goals of increased workforce participation, *alongside* the future-focused imperative of improving early education and care for the children who will drive future productivity.

## Child Care Subsidy – Family Eligibility – Activity Test (RIS pg 47-59)

C&K supports **Option 1.1** – no change. It is difficult to envisage how subsidy limits could practically apply, without additional red tape complexity, when parents are engaged in a mix of activities.

C&K reiterates the need to retain the broadest possible activities:

- the existing definition of formal volunteering is retained
- all forms of unpaid leave, looking for work and recognising carers of all types (of partners, of children with a disability, of ageing parents, foster carers, kinship carers, grandparents)
- ensure subsidies transition through ranges of activities (looking for work, transition between casual work opportunities, seasonal, school terms, Fly-in-Fly-out (Fi-Fo), etc)
- specifying time limits &/or subsidy limits are likely to significantly increase red-tape – eg. how is a combined suite of community and family obligations 'acquitted'? Does the cost of monitoring compliance negate projected savings?

- In general, C&K is concerned about transitional arrangements and reconciliation/acquittal mechanisms and the interactions between the activity test and the exemptions. C&K is concerned service staff will spend excessive time advising families about DSS compliance and/or entitlements.

**C&K recommends** evidence or 'proof' of both activity and exemptions be supported by a generic on-line form supplied by the Department of Social Security's IT system and/or the MyGov website.

## Family Eligibility – Exemptions

C&K welcomes the draft exemptions from the activity test.

**C&K recommends** the exempt groups retain the existing maximum entitlement hours of 100 hours per fortnight.

**C&K recommends** evidence or 'proof' of both activity and exemptions be supported by a generic on-line form supplied by the Department of Social Security's IT system and/or the MyGov website.

**C&K recommends** parents accessing preschool from within a (generally more expensive) Long Day Care setting receive an exemption from the activity test for 18 hours per week / 36 hours per fortnight (matching Step 1 in the Child Care Subsidy).

**C&K recommends** an exemption for parents of preschool aged children attending recognised preschool in a LDC.

This exemption would only be relevant for families that did not meet the activity test, but is necessary to ensure that all children can access an affordable preschool program.

As recommended by the Productivity Commission, parents of preschool aged children attending a recognised preschool in a LDC should be exempt from activity test so cost is not a barrier to access. For simplicity, we recommend an exemption for the first step of the activity test, providing 18 hours of subsidy per week.

We note that the recent COAG Leaders Retreat Communique recognised that Governments need to go further in improving access to early learning. The Communique noted "Increasingly, childcare is the delivery mechanism for early childhood learning. Leaders committed to improving the transition from early childhood learning to school including consideration of an earlier start to school, greater equity in the application of childcare funding to learning for the year before school and improving the standard of teachers which is critical to delivering better educational outcomes."

**C&K further recommends** the inclusion of the following groups for financial and/or non-financial assistance:

C&K supports the following groups already included in various areas of the RIS:	C&K advocate these <u>additional groups / sub-groups</u> :
<ul style="list-style-type: none"> <li>- at risk</li> <li>- financial hardship</li> <li>- transitioning to work</li> <li>- additional needs – disability</li> <li>- caregiver or partner with a disability</li> <li>- Aboriginal and Torres Strait Islander background</li> <li>- culturally and linguistically diverse background</li> <li>- caregiver or partner in prison or otherwise lawfully detained</li> </ul>	<ul style="list-style-type: none"> <li>- children with chronic medical conditions</li> <li>- caregivers with chronic medical conditions</li> <li>- ‘additional needs’ must not only include children formally diagnosed with a disability, but also developmental delay and/or other complex behaviours awaiting diagnosis</li> <li>- carers of all types - foster, kinship and grandparent carers</li> <li>- carers of a child/ren with a disability, of ageing parents</li> <li>- children attending recognised preschool programs within LDC</li> <li>- casual workers (for children, a regular child care place gives continuity; for parents, it also increases their ability to accept increases in work hours)</li> <li>- teenage parents - particularly those parents transitioning from State care</li> <li>- humanitarian entrants and refugees</li> <li>- additional ‘exceptional circumstances’ based on professional judgement (eg. sudden changes in employment, an exemption for children at risk, casual workers exemption)</li> </ul>

C&K notes that these target groups that are already severely under-represented in early education.

Because of this under-representation, the cost of retaining subsidies will not result in a significant increase in budget expenditure. On the contrary, the benefit of increased participation will over time increase the productivity of subsequent generations.

### **Service Eligibility – operating requirements (hours and weeks of operation)**

C&K supports **Option 5.3** (see below) in principle.

C&K agrees that current operating requirements have forced some services to operate in a business model that may not be viable in some locations, particularly rural and remote locations where it may not be viable to operate a service five days per week. C&K agrees that many parents are no longer working standard ‘9 to 5’ hours. In the case of rural and remote families, ‘9 to 5’ was often never the norm.

As stated, C&K supports **Option 5.3** (see below) in principle. This flexibility *however* must not come at the cost of children missing out on secure, continuity of quality early learning should operators severely restrict their business to the most profitable times. The dual-policy imperative (workforce participation *and* access to quality early learning and care) must be continually assessed.

Existing requirements (Child Care Benefit eligibility 2000)	Productivity Commission recommendation <b>RIS Option 5.2</b>
<p><b>RIS Option 5.1</b></p> <ul style="list-style-type: none"> <li>- long day care, in-home care and family day care services will operate on all normal working days in at <i>least 48 weeks</i> of the year and be available to provide care for any particular child for at <i>least 8 continuous hours</i> on each normal working day on which it operates</li> </ul>	<ul style="list-style-type: none"> <li>- Abolish operational requirements that specify minimum or maximum operating hours for all services approved to receive subsidies</li> <li>- services for children under school age (such as long day care and family day care) should be operational for <i>at least 48 weeks</i> per year</li> </ul>
<ul style="list-style-type: none"> <li>- outside school hours care services will, if they provide before or after school care, <i>operate on each school day</i>. If providing vacation care, services will be available to provide care for <i>at least eight continuous hours</i> on each normal working day for <i>at least seven weeks</i> of school holidays in a year.</li> </ul>	<ul style="list-style-type: none"> <li>- services for school age children (such as outside school hours care) should be operational for <i>at least seven weeks per year</i>. The requirements for before and after school care to operate on every school day should also be abolished.</li> </ul>
<ul style="list-style-type: none"> <li>- occasional care services will operate for a maximum of nine hours per day</li> </ul>	<ul style="list-style-type: none"> <li>- Currently occasional care services are not subject to operating <i>weeks</i> requirements. This would be a new requirement for these services under Options 5.2 and 5.3.</li> </ul>
	<p><b>C&amp;K Supports:</b> <b>RIS Option 5.3 (in principle)</b></p> <p>Same as 5.2 above with the capacity for services in rural and remote locations to apply for exemptions to the number of weeks required.</p>

*Consultation questions*

- **What impact would more flexible operating requirements have on increasing workforce participation?**  
and
- **What impact would more flexible operating requirements have on new and existing services?**

It is hard to estimate these impacts. With regard to operators/services, staffing is the key to quality ECEC. Educators are also members of families and communities, and as such, flexibility and workforce participation incentives for them is vital (eg. educators will also weigh-up whether they wish to (or whether it is financially viable for them to) keep educating children in ECEC centres if their hours become less-regular or too short.

- **In what circumstances should rural and remote services be granted an exemption?**

Linked with *Sustainability Support* (discussed elsewhere), broad flexibility in operating requirements for rural and remote services would be warranted, for example, during industry (eg. mining) downturns and seasonal fluctuations (eg. wet season, crop harvest), and also where appropriate staffing is temporarily unavailable (eg. emergency leave with inability to backfill).

## Service Eligibility – Priority of Access (POA)

C&K supports **Option 6.1** (see below) that is - no change, pending further consideration.

C&K supports services having the flexibility to apply the guidelines in ways that meets the needs of families.

The RIS states “under existing arrangements information is not collected on POA..... There is also no monitoring of compliance with the POA guidelines”. C&K does not consider it appropriate to address this lack of monitoring by vastly reducing the scope of the policy. Until such time as the effectiveness of this policy is measured, there can be no assessment about its effectiveness.

**C&K suggests** Priority of Access (POA) remains unchanged in the first iteration of the Child Care Assistance Package.

POA is currently one plank in a raft of measures, overseen across government, aimed at reducing disadvantage. C&K suggests a consultative program-evaluation be instigated to purposefully examine how this raft of measures (POA, Safety Net, Access and Affordability, Inclusion Support, etc) impact the range of prioritised children (children at risk, Aboriginal and Torres Strait Islander children, CALD families, etc).

**C&K also suggests** POA is retained in the new IT system.

<p><b>Existing requirements (<i>Child Care Benefit (Eligibility of Child Care Services for Approval and Continued Approval) Determination 2000</i>)</b></p> <p><b>C&amp;K supports:</b></p> <p><b>RIS Option 6.1</b></p>	
<p>Families with the greatest need for child care are given priority access. The Guidelines require services “...to allocate available child care places where there are more families requiring care than places available”.</p> <p>There are three levels of priority:</p> <ul style="list-style-type: none"> <li>- Priority 1 – a <b>child at risk</b> of serious abuse or neglect</li> <li>- Priority 2 – a child of a single parent who satisfies, or parents who both satisfy, the work/</li> </ul>	<p><b>RIS Option 6.2</b></p> <ul style="list-style-type: none"> <li>- Remove POA requirements, but work with states and territories to ensure access to places for <b>children at risk</b> of serious abuse or neglect (e.g. temporary exemption from capacity restrictions).</li> </ul>

<p>training/study test</p> <ul style="list-style-type: none"> <li>- Priority 3 – any other child.</li> </ul> <p>Within each of the levels, priority is to be given to:</p> <ul style="list-style-type: none"> <li>- Indigenous families</li> <li>- families with a disabled person</li> <li>- families who are on the maximum rate of CCB or who (or whose partner) is in receipt of income support</li> <li>- families from a non-English speaking background</li> <li>- socially isolated families</li> <li>- single parent families.</li> </ul>	<p><b>RIS Option 6.3</b></p> <ul style="list-style-type: none"> <li>- Change POA to focus only on <b>children at risk</b> of serious abuse or neglect (who attract the Additional Child Care Subsidy) and children whose <b>parents are working</b>.</li> </ul>
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**Child Care Safety Net - Additional Child Care Subsidy**  
(RIS pg 64-66)

A tight fiscal environment requires prioritising – and C&K acknowledges the efforts made to provide a safety net focused on lower socio-economic areas and/or priority families.

The valuable Australian Early Development Census highlights the vulnerabilities of many of our children:

- twenty-two per cent of Australian children are developmentally vulnerable on one or more domain/s
- Aboriginal and Torres Strait Islander children are more than twice as likely to be developmentally vulnerable than non-Indigenous children
- close to half (44 per cent) of children in very remote communities are developmentally vulnerable, compared to around one-fifth (21 per cent) of children from major cities
- children living in the most socio-economically disadvantaged Australian communities are more likely to be developmentally vulnerable on each of the domains (Australian Early Development Census, 2012<sup>1</sup>)
- Australian Year 4 students rank in the bottom third of the 25 OECD countries in reading, writing and numeracy (ARACY, 2013, p.5)

The ‘safety net’, however, must not misconstrue all disadvantage and vulnerability as homogenous. C&K is concerned with measures that can over-standardise services and that Aboriginal and Torres Strait Islander families, and CALD families (among others) unintentionally becomes excluded by rigorous compliance complexity.

*Consultation questions*

- **Should any other groups be considered for a higher level of assistance under the Additional Child Care Subsidy? If so, why?**  
*and*
- **What level of evidence should be provided by families or services to access the Additional Child Care Subsidy and support programme integrity?**

C&K notes the varied and complex range of exclusions, inclusions, and family and service payments across the Child Care Assistance package.

**C&K therefore recommends the holistic inclusion** of the following groups for a higher level of financial and/or non-financial assistance:

C&K supports the following groups already included in various areas of the RIS:	C&K advocate these <u>additional</u> groups / sub-groups:
<ul style="list-style-type: none"> <li>- at risk</li> <li>- financial hardship</li> <li>- transitioning to work</li> <li>- additional needs – disability</li> <li>- Aboriginal and Torres Strait Islander background</li> <li>- culturally and linguistically diverse background</li> </ul>	<ul style="list-style-type: none"> <li>- children with chronic medical conditions</li> <li>- caregivers with chronic medical conditions</li> <li>- ‘additional needs’ must not only include children formally diagnosed with a disability, but also developmental delay and/or other complex behaviours awaiting diagnosis</li> <li>- foster, kinship and grandparent carers</li> <li>- carers of all types - foster, kinship and grandparent carers</li> <li>- carers for partners, carers of a child/ren with a disability, of ageing parents</li> <li>- casual workers (for children, a regular child care place gives continuity; for parents, it also increases their ability to accept increases in work hours)</li> <li>- children attending recognised preschool programs within LDC</li> <li>- teenage parents - particularly those parents transitioning from State care</li> <li>- humanitarian entrants and refugees</li> <li>- additional ‘exceptional circumstances’ based on professional judgement (eg. sudden changes in employment, an exemption for children at risk, casual workers exemption)</li> </ul>

**Child Care Safety Net - Children at risk**  
(RIS pg 64-66)

*Consultation questions*

- ***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)?***  
*and*
- ***Are there other circumstances that should be included in this definition?***

C&K is committed to the care and protection of children, and we emphasise the importance of early identification of issues and early intervention.

C&K’s *Child Protection Commitment Statement* mandates that all staff and affiliate committee members will act to record and report all actual and/or reasonable suspicions of child abuse that occurs outside the service to the relevant statutory body.

As a result of Queensland’s most recent Child Protection Commission of Inquiry (*the Carmody Inquiry*), law reform processes are currently underway regarding reporting processes, including mandatory reporting in ECEC.

**C&K therefore suggests** current definitions and process remain in place until the outcome of the law reform examinations (expected in late 2015).

**C&K suggests** the existing first round approval of up to 13 weeks must remain.

**Additionally C&K would strongly recommend against** adopting state-by-state statutory system definitions or criteria.

C&K remains committed to helping build a system that ensures these vulnerable children are not left further behind because of tighter definitions, more paperwork, or layers of regulatory bodies.

**C&K is concerned about confusion and/or omissions** should additional and/or overlapping jurisdictional definitions be placed on the early education sector through the Child Care Assistance package.

**C&K suggests** working groups are convened to develop guidelines and/or protocols with the States/Territories, etc.

**Alternatively, C&K suggests** a cross-jurisdictional approach that might examine the intake/eligibility criteria from community-based early intervention services, such as Families First in Victoria, Brighter Futures in NSW, and Family and Child Connect in Queensland to provide a common tool.

#### *Consultation questions*

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

In regard to length of assistance, C&K similarly cautions against blurring the boundaries between the ECEC profession, the Social Services safety net, and the child protection system.

The child/family do not attend early education indefinitely. The potential expenditure-cost of providing the 'at risk' subsidy to the family until school age is minimal compared with the benefits of continued supports in the lives of vulnerable families, and/or the compliance cost of ceasing the benefit.

C&K suggests this small assistance to families should not cease prior to school. The cost:benefit can be clearly aligned with an early intervention strategy keeping families out of the expensive statutory system.

#### **Child Care Safety Net - Temporary Financial Hardship**

(RIS pg 64-66)

- ***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?***

**C&K suggests** that, rather than over-define or overly-narrow the experience of 'financial hardship', existing definitions and guidelines already in use by The Department of Social Services or any number of other sectors could be referred to (low interest loans, utilities' hardship schemes, etc).

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

C&K has seen evidence that 'financial hardship' has extended well beyond low-income families. Macro conditions such as the mining boom and low interest rates coupled with generous financial lending practices have resulted in some families tipping into hardship more easily. For example – families over-committed to high housing costs in mining areas find themselves unable to pay full child care fees, yet are ineligible for assistance based on income.

**C&K suggests** the broadest possible definitions and guidelines should a family cite financial hardship.

**C&K also assumes** the Department of Social Services would support these families through a specialist financial hardship team skilled in responding to customers experiencing financial hardship.

## **Child Care Safety Net - Transition to Work**

(RIS pg 64-66)

### *Consultation questions*

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

As stated elsewhere, **C&K recommends** that submitting evidence or 'proof' is supported by a generic on-line form and/or photo-capturing application supplied by the Department of Social Services' IT system and/or the MyGov website. Applicants would, for example, photograph and submit their continued enrolment record.

## **Community Child Care Fund**

(RIS pg 66-70)

C&K welcomes the principles and policy objectives that underpin the fund. C&K looks forward to further detail on the fund in order to more fully comment on its benefits and implications.

C&K is concerned that we may be continuing a jigsaw of programmatic bundles with funding to families, added to one-off funding to services, added to on-going funding to services *and* families.

**C&K suggests** there may be potential to more seamlessly integrate Element 1 (disadvantaged areas) and Element 2 (viability); and potentially Element 4 (low-income; high-fee areas) could be dealt with via another mechanism in the suite.

## **Community Child Care Fund – 1. Community Support in disadvantaged areas**

### *Consultation questions*

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

C&K conceptualises the Community Child Care Fund (CCCF) as another plank in a raft of measures, overseen across government, aimed at reducing disadvantage.

**C&K strongly recommends collaboration** in all initiatives aimed at reducing disadvantage – including collaboration across and within government (local, state and federal – as well as horizontally across human service line agencies and central agencies), the community sector, and the private sector.

**C&K strongly reiterates** previous statements that the most proven and effective was of increasing the participation of vulnerable children is through integrated childhood services and through 'soft entry' early intervention programs. C&K acknowledges that the Productivity Commission's final report made recommendations to this effect, as has elements of the government's Child Care Assistance package.

Child care environments are perfectly placed to assist with challenges early in families' parenting journey. With appropriately resourced business models, they can deliver timely and cost-effective early interventions that save money over time. The cost-benefits of well-known early intervention programs in the USA and UK, that target disadvantaged families, range from 2.36-to-1 to 19-to-1. Meaning, for every \$1 spent on early intervention, the state reaps a return of between \$2.36 and \$19 over time (UNSW's Social Research Centre, 2007).

C&K welcomes the additional investment in integrated services in the 2015 Federal Budget. C&K currently operates the Mackay Children and Family Centre, focused on providing integrated support to Aboriginal and Torres Strait Islander children and families. We would be happy to work further with the government on expanding this model and other placed-based integrated approaches.

Community-based preschools, kindergartens and long day care centres, in particular, provide established universal infrastructure and social capital on which to deliver this support through 'hubs' and 'wrap-around' support for families – keeping families together, improving parenting skills, making timely diagnosis of additional needs, and laying the foundation for a successful entry to school. We would welcome an approach that provided funding to enable additional services to support vulnerable children and families through current universal infrastructure.

## **Community Child Care Fund – 2. *Sustainability Support (viability assistance)***

C&K operates across Australia's most geographically dispersed state. As such, our response will highlight the complexity and place-by-place variation of how both disadvantage affects families (and therefore the broader human services system); and locational idiosyncrasies which affect service viability in different ways in every place.

Around 12 of C&K's Branch services are currently the only provider in rural areas (see map). As such C&K faces challenges with the ongoing viability of these services.

*Consultation questions*

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

- Staff recruitment and retention: The cost to backfill staff in remote areas can be the difference between sustainability or not.
- For example, a C&K sole-provider in central Queensland, has very high enrolments however the service still struggles to break-even due to staffing costs such as having an educator on maternity leave. These costs are unpredictable, and can fluctuate at any time.
- Sole-providers would therefore not be effectively sustained by “grants made available for up to three years, linked to a business plan outlining a pathway to sustainability”. More flexibility around the restriction of ‘time-limited/three-years’, without necessarily increasing the quantum spend, would improve the proposal. For example, services may apply for Sustainability Support ‘from time to time’ up to a percentage of their operating costs.



**Community Child Care Fund – 3. Capital Support**

C&K looks forward to further detail on this program in order to more fully comment on its benefits and implications.

*Consultation questions*

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

C&K agrees there should be areas of differentiation – among these:

- **Target groups** – C&K recommends this measure considers community need for *specific* places and targets so that the funds do not contribute to a blanket over-supply in some locations.

For example, some rooms (such as babies rooms) are in high-demand whereas there is over-supply of preschool in some areas. Similarly, participation by some children is vastly under-represented (for example, more than one-third of children with a disability do not attend

preschool).

**C&K recommends** some funding should be used to audit ECEC sites to assess the level of remediation needed. That is, the quantum of modifications required nationwide would be significant. It may be useful to understand this in order to prioritise and/or ascribe compliance standards.

- **Non-profit providers** – C&K recommends prioritisation of not-for-profit providers due to their legacy commitment to local communities, their social re-investment charters, and their experience in integrating across human services systems.

## **Community Child Care Fund – 4. Access and Affordability – alternative process proposed**

C&K looks forward to further detail on this program in order to more fully comment on its benefits and implications.

**C&K does not fully support** the proposed administration system for Element 4 – Access and affordability support. The proposed grant program appears unnecessarily complex, it may be costly to efficiently administer, and it may not ensure the families that most need support will receive it.

As stated elsewhere, **C&K considers** the Child Care Assistance package has retained or increased the complexity of the current system: with its raft of varied exclusions and inclusions, and family versus service payments.

**C&K recommends** this element may be merged into the mainstream subsidy system.

## **Inclusion Support Program**

C&K has previously stated its support of the existing Inclusion Support Program, and we do not feel equipped at this stage to fully understand or comment on the changes proposed.

**C&K recommends** continued working group discussion on the refined Inclusion Support program to ensure it reduces red tape and time lags, increased participation, and delivers continuing and immediate benefits for families.

**C&K specifically calls** for matching the weekly allocation of Inclusion Support Subsidy hours to the hours of attendance, or at least be increased from the current 25 hours per week. C&K supports others' calls for abolishing the daily five hour limit and allowing services the flexibility to allocate those hours over a week in a way that best meets the needs of children.

C&K was pleased to hear the Minister recently reiterate the vital feedback regarding the hitherto excluded elements of inclusion programs.

**C&K awaits confirmation** that the following will be within scope for funding assistance:

- medical conditions (Type One diabetes, severe epilepsy, catheterisation);
- highly challenging behaviours;

- developmental delays (consistent with the national agreement under the NDIS which ensures children under six years old with a diagnosed disability and/or developmental delays have the opportunity receive reasonable and necessary supports);
- awaiting diagnosis

### *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?*
- *How could the programme better engage with new families to increase the participation of children with additional needs in child care?*
- *What activities could better help to embed inclusive practices in child care services?*
- *What outcomes should be identified to ensure inclusion support is contributing to inclusive practices?*
- *To what extent should funds within the Inclusion Development Fund be quarantined for specific purposes (e.g. inclusion of children from culturally and linguistically diverse backgrounds)?*

We assume from the breadth and detail of the consultation questions that the program will seek the local expertise and innovative ideas of the sector.

**C&K therefore recommends the broadest possible funding processes** where local providers will recommend what works best in their communities.

C&K would like to recommend the following principles (from Queensland peak providers) that may be helpful in forming the program guidelines:

- early learning teachers and staff must be culturally competent and qualified educators should be recruited from diverse backgrounds
- community awareness campaigns about the value of ECEC services for families from diverse backgrounds should continue to be developed: people from refugee backgrounds, for example, are largely unaware nor have a full understanding of the availability of preschool services
- where English language development is needed as the foundational learning that leads to successful transition to school - accessible, affordable and culturally appropriate early learning opportunities for children from migrant, refugee and some Aboriginal and Torres Strait Islander families are essential <sup>ii</sup>
- the focus on the participation and the success of Aboriginal and Torres Strait Islander children in early childhood education is maintained through a single plan or system, rather than be dispersed through multiple program areas.

## **Aboriginal and Torres Strait Islander Children, Families and Communities**

Australia is not managing to attain our goals in achieving better lives for Aboriginal and Torres Strait Islander children.

- Indigenous children make up 5% of the child population but only 2.9% participate in early years services (Productivity Commission 2015).
- there is a gap of 15,000 places in early childhood services for Aboriginal and Torres Strait Islander children. While access is an issue for *all children*, a 70% increase in service availability is needed before Indigenous children are *on par* with their non-Indigenous peers.

As previously stated, **C&K recommends a single plan or system** that ensures a focus on Aboriginal and Torres Strait Islander children in early childhood education is maintained. Currently it appears that the focus is dispersed throughout the Child Care Assistance package and between government departments and different funding streams.

**C&K is also concerned about the transition of Budget Based Funding (BBF) services.**

**C&K reiterates previous recommendations:**

- appropriately support and fund BBF services to, over a reasonable time period, become included under the NQF in a way that is appropriate and meaningful for communities. Practical support and resources must support these transitions through capacity-building approaches and partnerships.
- as recommended by SNAICC, consider improvements to the ECEC system that will facilitate services to genuinely value Aboriginal and Torres Strait Islander children. This may be by specifically detailing opportunities and obligations for the majority mainstream sector to contribute tangible steps towards improved early years outcomes for Aboriginal and Torres Strait Islander children
- recognise the significant costs to communities of funding uncertainty, as well as short-term, project or sporadic funding. Deliver three-year ECEC services, particularly in regional, rural and remote areas, and particularly in programs prioritising Aboriginal and Torres Strait Islander children
- build the capacity for choice in culturally safe, quality services wherever possible, by supporting partnerships and the cultural safety of mainstream ECEC services in measureable ways. This may be by, for example, instigating research and/or seeking willing partners to expedite the numbers of culturally safe mainstream services in metropolitan areas.

## IT System

**C&K awaits more information** about the processes and stakeholder engagements that will underpin the development of the IT system.

As the system appears to describe a parental interface (attendance sheets, vacancies, etc) C&K is also keen to understand the nexus with the proprietary systems run by providers.

## Transitional Arrangements

**C&K joins ELACCA in concern** about how the announced policy will be applied when families move between steps of activity, types of activity, mainstream and additional child care subsidy or when families have changes of income. Transitional arrangements and reconciliation mechanisms will have an impact on interactions between the activity test and the exemptions.

**C&K is concerned** service staff may spend increased time advising families about Department of Social Services compliance and/or entitlements.



*Where children come first*

**The Creche and Kindergarten Association Limited**

257 Gympie Rd Kedron, Qld 4031

**T:** 07 3552 5333 | **F:** 07 3356 7976

info@candk.asn.au | www.candk.asn.au

**ABN:** 59 150 737 849