



SNAICC – National Voice for our Children
Aboriginal and Torres Strait Islander Corporation
27 Budd Street
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Friday 21 October 2022

Committee Secretary
Senate Education and Employment Committees
PO Box 6100
Parliament House
Canberra ACT 2600

SNAICC submission to the Family Assistance Legislation Amendment (Cheaper Child Care) Bill 2022

SNAICC is the national voice for Aboriginal and Torres Strait Islander children. We appreciate the opportunity to provide input to the Education and Employment legislative committee on the Family Assistance Legislation Amendment (Cheaper Child Care) Bill 2022. The focus of our submission is the welcome increase to 36 hours per fortnight, of the base entitlement to subsidised child care for Aboriginal and Torres Strait Islander children.

SNAICC, as the national non-government peak body for Aboriginal and Torres Strait Islander children, works for the fulfilment of the rights of our children. In particular we strive to ensure our children's safety, development and well-being.

SNAICC has a dynamic membership of Aboriginal and Torres Strait Islander community-based child care agencies, Multi-functional Aboriginal Children's Services (MACS), crèches, long day care child care services, pre-schools, early childhood education services, early childhood support organisations, family support services, kinship and foster care agencies, family reunification services, family group homes, services for young people at risk, community groups and voluntary associations, government agencies and individual supporters.

Since 1981, SNAICC has been a passionate national voice representing the interests of Aboriginal and Torres Strait Islander children and families. SNAICC champions the principles of community control and self-determination as the means for sustained improvements for children and families has been at the heart of SNAICC's work — whether on child protection and wellbeing or early childhood education and development. Today, SNAICC is the national peak body for Aboriginal and Torres Strait Islander children and the sector supporting these children. Our work comprises policy, advocacy and sector development. We also work with non-Indigenous services alongside Commonwealth and State Governments to improve how agencies design and deliver supports and services for Aboriginal and Torres Strait Islander children and families.

A positive place from which to begin broader reform: 36 hours/fortnight baseline entitlement to subsidised Early Childhood Education and Care (ECEC) for Aboriginal and Torres Strait Islander Children

SNAICC is pleased to see that the Family Assistance Legislation Amendment (Cheaper Child Care) Bill 2022 will guarantee a baseline entitlement to 36 hours/fortnight subsidised access to Early Childhood Education and Care (ECEC) to our most vulnerable families. We also acknowledge the simplicity of the process by which families and carers can claim that entitlement and the positive impact of raising the rate of the child care subsidy to 90 per cent for all families earning less than \$80 000.

The current limit of 24 hours/fortnight subsidised ECEC access imposed on families who have failed the activity test disproportionately impacts ECEC participation by Aboriginal and Torres Strait Islander childrenⁱ, and complexities in the requirements of the activity test raise additional barriers for families experiencing disadvantage.

Aboriginal and Torres Strait Islander children supported to reach their full potential: expanding base subsidised ECEC entitlement to 30 hours/week

Every child has the right to reach their full potential. Many Aboriginal and Torres Strait Islander children start school strong, healthy and ready to learn, but a disproportionate number are developmentally behind their peers when they commence schooling, recording lower levels of cognitive and non-cognitive abilities than their non-Indigenous peersⁱⁱ. This group of children is less likely to do well at school, more likely to leave school early and have poorer life chances.

The current National Agreement on Closing the Gap has set a target in relation to the developmental wellbeing of Aboriginal and Torres Strait Islander children:

Target 4: By 2031, increase the proportion of Aboriginal and Torres Strait Islander children assessed as developmentally on track in all five domains of the Australian Early Development Census (AEDC) to 55 per centⁱⁱⁱ.

Based on current rate of progress, this target won't be achieved by 2031. In 2021, the AEDC indicated 34.3% percentage of Aboriginal and Torres Strait Islander children were on track in all five developmental domains, compared to 56.2% of non-Indigenous children. This figure represents a reversal in the steady trend towards increase in the number of Aboriginal and Torres Strait Islander developmentally on track, and is lower than at baseline (2018) when 35.2% of Aboriginal and Torres Strait Islander children were developmentally on track.

Access to high quality ECEC programs which are supported by the community, well resourced and conducted by qualified educators has been identified by the Australian Institute of Health and Welfare as effective in improving the educational and developmental outcomes for Aboriginal and Torres Strait Islander children.^{iv} Participation in high quality, early childhood education for at least two years before beginning school improves both children's school readiness and life chances.^v The impact of education on a child's development is even more pronounced for children who experience social disadvantage:

"Children who do not have a solid pre-kindergarten foundation are likely to start kindergarten approximately two years or more behind children of similar ages and environments who do have a firm pre-kindergarten foundation. This difference in developmental age, or developmental competence, is even greater between children from high-risk environments and children from learning-enriched environments"^{vi}

(Sparling, Ramey and Ramey (2007p. 84) in ECA and SNAICC 2019).



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Research suggests that consistent and early intervention between the ages of 0-5 years has the greatest positive impact on developmental outcomes, with some evidence to suggest that birth to three years may be the critical window for child development^{vii}. Whilst there is limited research conducted with and by Aboriginal and Torres Strait Islander people in relation to the ‘ideal dose’ of ECEC participation needed to support child development, there is a body of research which speaks to the social disadvantage experienced by many Aboriginal families and communities. The Abecedarian program has a focus on language and has generated positive findings, in the United States¹, including in longitudinal studies. Outcomes recorded for this program were achieved with 40 hours per week of program delivery. Data from the United States Early Longitudinal Study indicated significant differences in outcome between low and high income groups, with at least 30 hours required to demonstrate significant gains in pre-reading skills for children from lower income groups and African-American children. This suggests that 30 hours per week or more is needed to support development of vulnerable children.

The most vulnerable of our children, include those whose families have insecure, precarious or short term work. Whilst these children will certainly benefit from the base entitlement of 36 hours/fortnight, it is unlikely that their families will reach the activity levels required for them to move towards the 30 hours or more of quality ECEC that they need to support their development. The requirements of the activity test are themselves difficult to navigate for some families who are unsure as to which activities satisfy the test’s guidelines, or who have fears about the financial consequences of incorrectly reporting their activity. Consequently, those whose working hours are unpredictable cannot commit to additional hours of work without guaranteed child care, but neither can they commit to more than the minimum subsidised hours of child care if they are at risk of failing the activity test and incurring unsubsidised child care costs they can’t afford.

Aboriginal and Torres Strait Islander families are over five times more likely to be limited to one day of subsidised ECEC per week^{viii}, but the pernicious impact of the activity test is widespread, and also affects low-income families, single parent families and families from non-English speaking backgrounds significantly more than other groups who use child care.

- Single parent families are over three times more likely to be limited to one day of subsidised child care per week;
- Non-English Speaking families are over six times more likely to be limited to one day of subsidised child care per week; and
- Low-income families earning between \$50,000 and \$100,000 are over six times more likely to be limited to one day of subsidised child care per week^{ix}.

Not only are children from lower socio-economic families receiving less care, but a higher percentage are also receiving **no care at all** – with many parents that don’t meet the minimum threshold for the activity test not engaging with the system. The temporary suspension of the activity test, during the COVID 19 pandemic demonstrated how removing the barriers created by the activity test can lead to higher levels of engagement for Aboriginal and Torres Strait Islander children in early education. In alignment with the period of suspension of the Activity Test, Aboriginal and Torres Strait Islander children’s ECEC participation increased **by 12 per cent** in the 9 months to June 2021^x.

Providing all low-income families with access to a minimum of three days’ ECEC per week would ensure every Australian child benefits from a quality early childhood education regardless of their parents’

¹ This program has been adapted for use with young Aboriginal children in remote Australia, under the program title: *Abecedarian Approach Australia*

activity. This requires removal, or at very least, simplification of the activity test, a view clearly supported by the Senate Select Committee into Work and Care. The interim report of the Committee's ongoing inquiry, released in October 2022, states:

The committee recommends that the Australian Government amend the relevant Social Policy and Family Assistance Laws to ensure that First Nations people are not required to meet the requirements of the activity test in order to receive subsidised child care ^{xi}.

SNAICC calls for the removal of the Activity Test.

Recommendations:

- That the Commonwealth Government provide 30 hours per week baseline entitlement to high quality ECEC which is free or subsidised to 90 per cent for Aboriginal and Torres Strait Islander Children.
- That the Commonwealth Government abolish the activity test.
Note: While SNAICC supports the removal of the activity test for all children, at a minimum the activity test should be removed for Aboriginal and Torres Strait Islander children to support achievement of Closing the Gap targets in line with the recent recommendation of the Senate Select Committee on Work and Care.

Improved child care subsidies impact 'demand' only: reform ECEC funding to address both sides of the supply/demand equation

Aboriginal and Torres Strait Islander children's capacity to claim their base entitlement of 36 hours of subsidised ECEC requires availability of appropriate services. "Affordability" represents half the solution to the early childhood education and care equation. Addressing the 'supply' side of the equation will require government to address the thin and in some cases, failed markets for ECEC services in rural, remote and disadvantaged metropolitan areas.

Approximately one million Australians are estimated to live in 'child care deserts' deserts' defined as populated areas where there are three or more children for every available child care place ^{xii}. Research by the Mitchell Institute indicates mal-distribution of ECEC services. Their study of centre-based daycare, which is the most common form of care used by Australian families, showed that areas which have the highest fees also have greater accessibility to child care places, "this suggests that providers are not only establishing services where there are greater levels of demand, but where they are likely to make greater profits"^{xiii}.

Limitations related to available places and proximity are most severe in remote areas where up to 85% of families live in child care deserts, but are also evident in metropolitan areas, particularly those locations experiencing greater levels of social disadvantage. In these areas, more than a quarter of families are likely to live in a child care desert.

Aboriginal and Torres Strait Islander families are clearly affected by thin markets relating to geography and income distribution. In addition, they are also impacted by thin markets for culturally safe services which meet their needs for holistic care. Aboriginal and Torres Strait community controlled ECEC services are characterised by integrated services which support both the child and their family. These services embed culture and are hubs for their local community. The current funding model threatens the viability of existing community controlled wrap-around services and fails to encourage the development of holistic services of this type in rural, regional or disadvantaged urban areas which currently don't have ECEC services.



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“Early learning programs that do not reflect the culture and knowledge of the Indigenous community are not seen as culturally safe and tend not to be used by families in that community”^{xiv}

By contrast, culturally safe services enhance the positive role which families and communities play in their children’s development and foster the development of supportive home environments which are essential to positive outcomes for children^{xv}.

The current service funding model does not address the thin market for ECEC services experienced by families living in child care deserts, nor does it address the thin market for culturally safe services. Child care deserts remain, unaffected by government efforts to direct child care subsidies to low and middle income earners^{xvi}. A policy roundtable of key ECEC industry stakeholders hosted by the Department of Education suggested the need for a separate funding model to support the viability services such as those ECEC services which provide holistic supports to families and/or which provide these supports in regional and remote areas ^{xvii}. In addition, the Senate Select Committee on Work and Care has recommended an increase in funding to Aboriginal and Torres Strait Islander ECEC services, particularly those in Rural and Regional Areas^{xviii}. SNAICC urges the Commonwealth Government to complement its current affordability measures with reforms that address the availability of viable and holistic ECEC services in child care deserts and in areas of high Aboriginal and Torres Strait Islander population.

Recommendations:

That the Commonwealth Government develop in partnership with Aboriginal and Torres Strait Islander peoples, and implement a needs-based early education and care funding model which supports the development and viability of holistic and culturally safe services, including:

- In areas where child care deserts exist
- In areas of high disadvantage and high Aboriginal and Torres Strait Islander Population.
- To support and expand holistic service models delivered by Aboriginal and Torres Strait Islander community-controlled early years services (in alignment with Priority Reform 2 of the Closing the Gap agreement)

SNAICC acknowledges the work of the Commonwealth Government in making child care more affordable to Australian families and measures taken to make ECEC services more accessible to Aboriginal and Torres Strait Islander children. We would be very interested to discuss with you our views on the current Cheaper Child care Bill (2022) and in particular, the development of complementary reforms which would ensure equitable access to high quality ECEC services for the children of all Australians, including those in the most vulnerable circumstances. Should you wish to discuss our submission , please contact John Burton, SNAICC’s Director of Policy and Research

Yours sincerely

Catherine Liddle
CEO, SNAICC – the National voice for our children

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- ^v Pascoe & Brennan 2017 in Early Childhood Australia, SNAICC (2019) *Discussion paper: Ensuring Equality for Aboriginal and Torres Strait Islander Children in the early years* p 23 accessed from: <https://www.earlychildhoodaustralia.org.au/wp-content/uploads/2019/02/SNAICC-ECA-Discussion-Paper-.pdf> 19/10/22
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- ^{viii} Impact Economics (August 2022) Child Care Subsidy Activity Test: Undermining Child Development And Parental Participation
<https://www.impacteconomics.com.au/home/education> Accessed 21/10/2022
- ^{ix} Ibid p10
- ^x Op Cit p 18
- ^{xi} Australian Government (October 2022) The Senate Select Committee on Work and Care: Interim Report, Commonwealth of Australia Retrieved 21/10/22:
https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Work_and_Care/workandcare/Interim_Report
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- ^{xiii} Ibid. p8
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