

## Senate Committee Inquiry: The immediate future of the childcare sector in Australia

### Submission from Frankston Council, 14 March 2014

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#### Introduction

Frankston Council welcomes the Senate Committee's inquiry into the immediate future of childcare in Australia. We believe this is a significant opportunity for government to take the lead in making improvements to early childhood education and care (ECEC) services so they are more streamlined, accessible and affordable for all families.

The key points that Frankston Council would like to address in this submission are as follows:

- The significance of high quality ECEC services in **early intervention** strategies to target vulnerable families at a critical point in a child's development to improve their outcomes and life trajectories, in addition to the long-term economic benefits of social investment in early intervention during early childhood.
- A more collaborative **social planning** approach needs to be taken for the provision of ECEC services to overcome the barriers created by the current high reliance on market provision of these services, along with the lack of coordination between the different levels of government and within the sector
- **Service system improvements** need to be made in order to reduce the complexity of the current system so that it is more collaborative and streamlined creating ECEC services that are more accessible and better meet the needs of families, particularly vulnerable families.

#### Early intervention

Frankston Council recommends for the Senate Committee to take into account the wealth of evidence that demonstrates the long-term social and economic benefits of social investment in early intervention during early childhood to improve a child's outcomes and life trajectories. The research into brain development tells us that the time from conception to age six (particularly in the first three years of a child's life) has the most significant impact on the development of competence, coping and emotional skills – all of which affect a child's learning, behaviour and health throughout the rest of their life.

In doing this, Frankston Council recommends that the Senate Committee considers the following social issues paper: *Acting Early, Changing Lives: How prevention and early action saves money and improves wellbeing* (The Benevolent Society, 2013). This paper thoroughly investigates the potential for early intervention to improve the outcomes of Australian children, especially those experiencing high levels of long-term disadvantage. A focus of this paper is on the most effective early intervention programs being those that demonstrate the following characteristics: targeting high risk or highly disadvantaged children, of sufficient duration and intensity, involving a direct teaching component (i.e. an education program delivered directly to children and delivered by educational professionals) and starting early.

To encourage early intervention strategies to take place within the ECEC sector, Frankston Council recommends that the Senate Committee investigates how all tiers of government should be working to provide the necessary social planning, support and guidance needed to promote collaboration between ECEC services, family support services, parents and communities. For instance, Child Protection is working collaboratively with the ECEC sector to enrol children under Child Protection Orders in ECEC services as a key intervention strategy. Whereas this strategy is working well to engage families, it requires a high level of support from the ECEC service to meet the child and family's needs, which are often very complex. For this strategy to be more successful, support and

guidance needs to be provided to the ECEC service, as most of these children fall outside of the Inclusion Support Program. For example, the Council operated child care centre in Frankston North, which is the municipality's most disadvantaged area, has high numbers of children in its long day care service and kindergarten who are under Child Protection Orders (up to 80%). However, no State or Australian Government support or guidance is provided to the Centre staff to meet the complex needs of these children and their families, which is very resource intensive. Instead, this is done at a cost to the Centre itself.

Further to this, the ECEC sector needs to be better linked to parenting support services in order to improve the quality of children's home environments.

### **Social planning**

Frankston Council has concerns that Australia's high reliance on market-based provision of ECEC services is creating barriers that are contributing to the inaccessibility of these services for some families, particularly vulnerable families residing in the most disadvantaged neighbourhoods who are facing additional barriers resulting from the lack of affordability of ECEC services and its complex support system.

These barriers are evident when reviewing the provision of long day care services in Frankston. Within the municipality, there are 31 privately operated long day care services with a total of 2,065 places, and one Council operated service with 54 places (the license is for 82 places but due to resource constraints stemming from the complex needs of the high numbers of vulnerable families using this service the full number cannot be enrolled). The majority of the privately operated long day care centres are servicing the neighbourhoods with a higher economic status and workforce participation, which have a much higher ratio of places available compared to those neighbourhoods which are marked by indicators of deprivation making long day care much less accessible these areas. For example:

- 37.6% of all long day care places in Frankston are servicing our most affluent neighbourhoods of Frankston South and Langwarrin, which make up 36.3% of our total number of 0–4 year olds. This means that for these areas, every one long day care place is shared between 3.41 children.
- 26.9% of all long day care places are servicing our most disadvantaged neighbourhoods (Frankston North, Frankston Central and Seaford), which make up 50% of our total number of 0–4 year olds. This means that for these areas, every one long day care place is shared between seven children. This is twice the number of children to every long day care place compared to the more affluent areas.
- There is a higher reliance on low-cost care in neighbourhoods with a lower SEIFA rating that is children being cared for by grandparents, other relatives or other people. For example, 79% of children in Frankston North and Seaford fall into this category compared to 29.7% of children in Langwarrin and Frankston South.

Whereas it's to be expected for there to be a greater number long day care places available in areas of higher workforce participation in order to meet the demand, it is of great concern to Frankston Council that long day care services are not also being provided to meet the demand in the areas of highest need from an early intervention perspective. That is, disadvantaged communities as evidenced by the SEIFA and with an above-average proportion of children identified as being developmentally vulnerable.

Frankston Council's long day care centre is located in our most disadvantaged neighbourhood (Frankston North). This facility is operated by the Council in order to fill the gap in the market and deliver a much needed long day care centre in this area, as there is a long history of no private long

day care provision in this area. The Council believes that this investment in a high quality long day care service in Frankston North is critical in order to intervene early with children who are at high risk. For example, 64.1% of children have been identified as being developmentally vulnerable on one or more domains of the 2012 Australian Early Development Index (AEDI), which compares to 23.3% across Frankston and 19.5% across Victoria. 34.9% are developmentally vulnerable on two or more domains, which compares to 11.6% across Frankston and 9.5% across Victoria. However, the provision of this much needed high quality ECEC service comes at a high cost to Frankston's rate-payers and really requires a whole of government contribution. It should be noted that the AEDI results in this neighbourhood have improved since they were last collected in 2009, which we believe is partly due to the delivery of targeted early intervention programs in this area.

Frankston Council therefore calls on the Senate Committee to investigate the role for all levels of government to work collaboratively with the ECEC sector to incorporate a social planning approach into the delivery of ECEC services in order to balance workforce participation with the provision of high quality ECEC services in disadvantaged areas. The current market-based approach that focuses only on workforce participation will continue to significantly disadvantage the most vulnerable families, which will continue to have considerable social and economic implications for all levels of government. This role should include the appropriate resources, support and guidance for ECEC services operating in disadvantaged areas in order to increase the proportion of vulnerable families accessing the services, such as: the provision of needs analysis information and social planning to assist with engagement strategies, incentives such as reduced rentals and planning controls and greater access to capital funds. Further to this, there is a role for government to set an ECEC sector standard to establish the appropriate level of childcare that is required in a local area (of a certain population) in order to ensure that ECEC services are accessible for all families.

Frankston Council believes that a more collaborative social planning approach is needed to overcome barriers created by the lack of coordination between the different levels of government and the ECEC sector. For example, Frankston Council has historically been taking a social planning approach to the provision of kindergarten in Frankston to ensure supply meets demand in all communities and every eligible child can access a four-year old kindergarten place.

However, since the introduction of 15-hours of funded kindergarten provision as part of the COAG National Partnership Agreement on Early Childhood there has been a significant impact on the Council's ability to supply the necessary places in areas of high demand with single-unit kindergarten facilities. Frankston Council's kindergarten infrastructure, like many local governments, is principally made up of single-unit facilities (i.e. one playroom meaning only one group can use the facility at a given time). Given Victoria has a unique 'community model' of infrastructure with a shared responsibility between the State and Local Government, the Council is reliant on its own funds plus the limited competitive grants made available under the Victorian Government's Children Facilities Capital Program to adapt facilities to cope with the additional demand stresses. Further to this, there have been additional financial stresses that have been placed on our kindergarten provision under the National Quality Framework, making Victoria's community model financially unsustainable as the additional costs are predominantly being shared between the local authority and parents, making kindergarten less accessible for vulnerable low-income families.

Victorian Local Government has a long history of involvement in both the provision of infrastructure and services for families with young children. Council also has a significant role in the planning and coordination of early childhood services, and is the major provider of infrastructure for community based kindergarten services across the municipality.

However it is not just about the provision of infrastructure for funded kindergarten. Over the past decade, with more emphasis and understanding of the importance of early year's services, Victorian local government has also become a significant provider of infrastructure for three (3) year old kindergarten services, playgroups, occasional care in neighbourhood houses and toy libraries. Although it is very sound practice to provide all these services under the same roof, there has been no acknowledgement from either the Victorian State Government or the Australian Government of the financial burden to local government in doing so.

The introduction of 15-hours of funded four year old kindergarten has also had an impact on the unfunded three-year old kindergarten program. Given much of Frankston's kindergarten infrastructure is made up of single-unit facilities, there is no longer the room available to provide an adequate three-year old program to meet the demand. Council has found that demand for a three-year old program has increased in recent years, as a result of the robust evidence on the importance of learning and development during the early years.

Frankston Council therefore calls on the Senate Committee to recommend for a much greater level of collaboration to occur between all levels of government in the social planning for universal access to 15-hours of early childhood education to ensure it is sustainable for local communities. Particularly in relation to financing local government to adapt kindergarten infrastructure so the following model can be established:

- Facilities with a minimum of two play-rooms to enable provision of: a) three groups of four year olds; b) two to three groups of three year olds; and c) a staffroom for lunch breaks/team activities.
- Where possible, these facilities also include Maternal and Child Health consulting rooms, a small meeting room for family/parent support activities, and a flexible space that can be used for related early years programs such as playgroups, outreach library story times and early intervention programs.

There are additional barriers to the three-year old kindergarten program created by its lack of affordability due to the absence of government operational subsidies available for families. This is most significant for vulnerable low-income families, for whom access to ECEC services is the most important. Frankston Council recommends that all levels of government work more collaboratively to ensure that these families have access to an appropriate early childhood learning program. The Council does not believe that the three-year old kindergarten program is the most effective means of early intervention as it is only offered for a small number of hours per week and therefore doesn't meet the needs of vulnerable families with a high need for ECEC services. These families would be better suited to the more intensive program that can be offered through long day care and Family Day Care. Frankston Council calls on the Senate Committee to investigate the need to broaden the scope of the Australian Government's Priority of Access Guidelines for allocating child care places to families with the greatest need for child care, so there is more support available.

Another potential issue that is resulting from the lack of collaboration between the different levels of government is children who may be accessing more than one funded program of 15-hours early childhood education. It's come to our attention that there are families who have children participating in a funded 4-year old community-kindergarten program for three days per week, who are also attending funded long day care program for the remaining two days per week in order for their parents to effectively participate in the workforce. The Council is not aware of any system in place to monitor these situations to ensure that there isn't any duplication in funding occurring.

### **Service system improvements**

Frankston Council calls on the Senate Committee to investigate the potential for service system improvements in order to ensure that all families have access to high quality and affordable ECEC services. Frankston Council is concerned by the barriers that are being created by the complexity involved with the following Australian Government supports, which we believe are preventing some of our most vulnerable families from accessing high quality ECEC services:

- Special Child Care Benefit
- Child Care Management System
- Inclusion Support Program

Frankston Council is also concerned by the impact of the National Quality Framework (NQF) on Family Day Care and outside of school hour's care.

#### Special Child Care Benefit

There are a number of highly vulnerable families in Frankston that rely on the receipt of the Special Child Care Benefit (SCCB) for their children to attend long day care as they do not have the financial means to pay the gap between the Child Care Benefit, Child Care Rebate and the actual cost of long day care. It's imperative for these families to access the SCCB so their children can regularly attend long day care in order for their immediate risks to be removed and experience the benefits of ECEC on their learning and development outcomes. However, the complexity of the processes involved with the SCCB is proving to be a significant barrier for these families to access long day care on a regular and ongoing basis.

Under the family assistance law, approved long day care services can approve up to 13 weeks of SCCB in a financial year for a child using their care. However, the 13 week policy is not adequate to support highly vulnerable families whose needs are extremely complex and who have children who are at-risk of serious abuse or neglect. As a result of their environment, these children often have multiple risk factors that often remain through their entire childhood. In addition, for these vulnerable families financial hardship remains as an ongoing barrier to accessing long day care, as the complexity of their needs often prevents them from consistent workforce participation. One of the major challenges in working with children at risk is the initial engagement to get them to access the service in the first place. The other major challenge is the actual regular attendance in the service.

The barrier created by the complexity of the SCCB procedures has been felt acutely by Council's child care centre. In July 2013 when changes were made in the application of the assessment procedures for SCCB 31 applications made by the Centre for at-risk children under Child Protection Orders were rejected. These children were from the most disadvantaged area within the municipality and were obviously entitled to the subsidy, which they had previously been receiving for the past 18 months. This disruption to the SCCB was potentially catastrophic. A considerable amount of work from the Centre staff, Child Protection and CHILD First case workers had been invested in securing these children in accessing our service on a regular basis. As such Frankston Council had to fund these children in the short term at a cost of approximately \$3,000 per week to ensure their attendance wasn't disrupted. This situation raised the stress levels of families who were already coping with family stresses.

To be specific, the key barriers created by the complex SCCB procedures are as follows:

- The time consuming nature of 13 week submissions of SCCB applications for childcare centre staff, which also requires support from both Child Protection and Child FIRST Partnership staff.

- The rejection of the template format used by the abovementioned staff. The Australian Government Department of Human Services does not approve of the support letters being supplied by families case managers to accompany the SCCB documentation as they are deemed to be on a 'template format' or are deemed to not contain adequate information.
- Cases where children have been denied access to SCCB despite their obvious entitlement due to procedural changes.
- When a SCCB application is rejected, it's an onerous task with supporting letters being rewritten up to three times by the family's case manager along with discussion and negotiation between Council officers and senior staff at SCAT and DEEWR.
- There appears to be a misunderstanding of Australian Government staff assessing the SCCB applications about the status of the Child FIRST Partnership and its relationship to Child Protection across the State of Victoria. Under Victorian State Government Best Interest Practice Frameworks, children cannot access State funded family support or child protection services without being exposed to two or more risk factors. Therefore Frankston Council believes that a support letter written by senior case managers at Child FIRST Family Solutions who are trained specifically to access and manage risk stating that the child is at-risk should be acceptable. This misunderstanding results from all states of Australia having different structures for dealing with child welfare.

Frankston Council believes that for these most at-risk children who are under Child Protection orders and are experiencing significant long-term disadvantage, there should be a requirement to enable the annual application of SCCB, not quarterly.

#### Child Care Management System

The Child Care Management System (CCMS) was implemented by the Australian Government in 2008 to bring all approved child care services online. Whereas Frankston Council welcomes the use of an online system to simplify the exchange of information between key agencies, there have been some issues with the CCMS that have created a burden on childcare staff.

Firstly, the continuous information requirements to keep the CCMS updated are far too complex for vulnerable families. It is our experience that in Frankston, some of our most vulnerable families do not go to Centrelink nor do they have the capacity to apply for the relevant benefits online. It is evident that case managers do not support this process and so therefore the onus is falling to childcare centre staff coordinators. This is a very time-consuming for childcare services like Council's child care centre which is operating in a disadvantaged area with high numbers of vulnerable families.

Furthermore, there have been a number of system faults with the CCMS that has resulted in many hours of childcare staff lost to remedy the problem. For example, in July 2013 staff at a service noticed that there was an error in the family statements on the CCMS. The burden to remedy this error lay largely with the service operator as many hours were spent on data entry to backdate and resubmit the data in order to fix the problem. Whilst the CCMS Helpdesk staff were supportive during this process, Council still believes that some form of compensation should have been provided for this error as it came at such a high cost to the Centre in staff time.

### Inclusion Support Program

Frankston Council recognises and values that the Australian Government has funded the Inclusion Support Program to give childcare services the required practical supports to better provide for children with disabilities and additional needs. However, Council does not believe that children with complex needs are always having their needs met due to the shortfalls in this Program. For example:

- The identified priority groups are too restrictive and are resulting in many children with complex behavioural issues, but who do not have a diagnosed disability, not being appropriately supported.
- Many children of a preschool age are not always being diagnosed and so the child care service is therefore not receiving the necessary support. This is happening for several reasons, including the long waiting lists to see specialist services, the expense of specialist services and the parents being in denial.
- There is a subsidy of \$16.92 to contribute towards the costs associated with employing additional child care workers. However this subsidy is extremely inadequate for services with an over representation of children with a diagnosed disability, such as the Council operated centre in Frankston North where over 40% of children have a diagnosed disability. The cost to Council to make up for the gap is up to \$100,000 after the subsidy has been deducted.
- The low rate of subsidy does not encourage private operators to take children with disabilities due to the budget impact.
- The right level of guidance and support needs to be in place to ensure that child care providers are able to follow Inclusion Support guidelines. The current approach of only having one Inclusive Support Facilitator per region means that not all childcare services are receiving the level of support required to do this.

### National Quality Framework

Frankston Council supports the introduction of the National Quality Framework for Early Childhood Education and Care (NQF), as it sets much needed quality assurance standards to improve outcomes for children. Specifically, we support the Terms of Reference for this Inquiry which states for the Australian Government to work with the states and territories to streamline the NQF in order to provide consistency across services. However, Frankston Council has some concerns regarding the operation of the Family Day Care and before and after school care services (including vacation care).

#### *Family Day Care:*

There are a number of operational issues with the Family Day Care system in Victoria. The biggest issue is the number of services that are being granted a license. The following figures obtained from the Family Day Care Australia website in January 2014 demonstrate this:

- VIC - 285 FDC services
- NSW - 134 FDC services
- WA - 99 FDC services
- QLD - 94 FDC services
- SA - 25 FDC services
- Tas - 12 FDC services
- ACT - 7 FDC services
- NT - 3 FDC services

It is evidence that the Victorian Department of Education and Early Childhood Development have been approving a significant volume of licenses with the Australian Government Department of

Education when compared to other states and territories. Frankston Council has significant concerns around:

- The market being able to support such a large influx of services.
- The quality of care being maintained.
- The capacity within the Victorian Government to provide consistency in the monitoring of regulatory compliance.

Frankston Council recommends that the Senate Committee investigates the need for greater collaboration between all levels of government to ensure that the number of licenses being approved match need and the level of quality of care is maintained across the sector. Unless this happens, Frankston Council is concerned that Family Day Care may have a similar experience to the failed ABC Child Care Centres.

An unexpected consequence of the growth in the number of private Family Day Care Schemes is that the Australian Government have recently tightened their funding and accountability requirements. This was outlined in a letter dated 30 October 2013 to all Family Day Care Schemes from the Australian Government's Early Childhood Education and Care Service Policy and Operations Branch. These changes could be seen to increase the operational and financial risks to the service provider, including potential impacts on the employee status of educators that in many services are presently contractors and operate as their own small business. This is Council's preferred model. This increased accountability requires additional administrative resources for service operators with no commensurate increase to the Operational Support Funding. Historically local government in Victoria has been the major service operator of Family Day Care and these changes to the Funding Agreement may increase the likelihood of local government reviewing their ongoing role as a service operator which could significantly impact on the access to Family Day Care services across Victoria for families.

#### *Outside of school hour's care*

Outside of school hour's care (which includes vacation care) has specific challenges that need to be addressed. The inclusion of outside of school hour's care within the *Education and Care Services National Regulations* has intensified the challenges experienced in the operation of these services due to recruiting a qualified casual workforce. The qualification requirement under the NQF along with the need for supervisor certificates has significantly impaired the ability to recruit appropriately qualified and trained educators. This has had a subsequent impact on delivery costs. In the past Frankston Council has relied heavily on being able to recruit student teachers/university students, but under the new requirements to be eligible as qualified educators these students need to have completed at least two thirds of their teaching course. Anecdotally, Frankston Council has heard about non-regulated services setting up pseudo before and after school programs to avoid the NQF requirements, such as home-work clubs.

There is also a need to clarify the role of the State Government in the provision of OSH services as the responsible level of government for managing schools in Victoria, given that most OSH services are based within schools. Council recommends that in the construction of all public schools in future, an area of the school is identified as meeting the requirements of the NQF to provide OSH services. This is because Council believes that all schools should consider the provision of OSH services so that there is the ability for families to have seamless access to school and OSH services on the same site.



## **Conclusion**

Thank you for the opportunity to make this submission. We believe these areas should all be key lines of inquiry taken by the Senate Committee.

Frankston Council's recommendations:

- i. The wealth of evidence on the long-term social and economic benefits of social investment in early intervention during early childhood to improve a child's outcomes and life trajectories is taken into account. In doing so, that the Senate Committee considers the following social issues paper: *Acting Early, Changing Lives: How prevention and early action saves money and improves wellbeing* (The Benevolent Society, 2013).
- ii. There is a social planning role for all levels of government to collaboratively support the ECEC sector to deliver services that balance workforce participation with the provision of high quality ECEC services in disadvantaged areas. This role should include the appropriate resources, support and guidance for ECEC services operating in disadvantaged areas in order to increase the proportion of vulnerable families accessing the services, such as: the provision of needs analysis information and social planning to assist with engagement strategies, incentives such as reduced rentals and planning controls and greater access to capital funds.
- iii. A sector standard is established to set a benchmark for the appropriate level of childcare that is required in a local area to ensure that ECEC services are accessible for all families. For example, one child care place for every two children.
- iv. Processes are put in place in Victoria to enable greater collaboration between all levels of government in the social planning for universal access to 15-hours of early childhood education to ensure it's financially sustainable for local communities.
- v. An investigation takes place into the level of financial support required required by local government in Victoria to effectively adapt community-based kindergarten infrastructure so the necessary number of facilities are available to meet demand for universal access to 15-hours of early childhood education. During this investigation, the following kindergarten infrastructure model is considered:
  - Facilities with a minimum of two play-rooms to enable provision of: a) three groups of four year olds; b) two to three groups of three year olds; and c) a staffroom for lunch breaks/team activities. Where possible, these facilities also include Maternal and Child Health consulting rooms, a small meeting room for family/parent support activities, and a flexible space that can be used for related early years programs such as playgroups, outreach library story times and early intervention programs.
- vi. A thorough investigation takes place into the level of financial support required by local government to effectively adapt community-based kindergarten infrastructure so the necessary number of facilities are available to meet demand for universal access to 15-hours of early childhood education.
- vii. The following model of kindergarten facilities providing universal access to 15-hours of early childhood education is adopted: All facilities have a minimum of two play-rooms to enable provision of: a) three groups of four year olds; b) two to three groups of three year olds; and c) additional staff for lunch breaks.
- viii. A model of early intervention and support is developed to ensure that vulnerable families with children who are three years of age are accessing ECEC services.
- ix. The Family Assistance Law is amended to enable the annual application of Special Child Care Benefit for those vulnerable families identified as being at high risk on an ongoing basis.
- x. The Australian Government Department of Human Services accepts the use of a template with all of the required information on it for Special Child Care Benefit applications.
- xi. A model of support is developed to provide child care services with the necessary resources to support families to navigate the Child Care Management System.

- xii. The Inclusion Support Program is modified so that: the priority groups include children with complex behavioural issues; a scale is used to assess the level of subsidy required, so that areas of high disadvantage receive an adequate level of financial assistance to meet children's needs; better support and guidance is provided to ECEC services to enable them to follow the program guidelines.
- xiii. Greater collaboration between all levels of government to ensure that the number of Family Day Care licenses being approved match need and the level of quality of care is maintained across the sector.
- xiv. A review takes place into the financial viability of local government as a major service operator of Family Day Care, as the recent changes to increase the accountability requires additional administrative resources for service operators with no commensurate increase to the Operational Support Funding.
- xv. The regulations are modified to enable outside of school hours care to overcome the significant barriers created by employing a qualified casual workforce, and employ appropriately trained staff who may not necessary have the qualifications required under the NQF.