



**Ethnic Community
Services Co-operative**

A voice for diversity and inclusion

(Formerly known as Ethnic Child Care, Family and Community Services Co-operative)

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

RE: Submission to the Senate Inquiry into the Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2015

Dear Secretary,

Ethnic Community Services Co-operative (ECSC) welcomes the opportunity to make a submission to the Senate Inquiry into the Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2015. As you are aware, there has already been significant consultation with the early childhood education and care sector regarding forthcoming changes to legislation and programming. In the last 16 months, ECSC has attended multiple community and sector consultations in addition to making written submissions to the Productivity Inquiry into Childcare and Early Childhood Learning; the Regulatory Impact Statement – Jobs for Families Package; and the draft Inclusion Support Programme guidelines. Much of this submission will reiterate previously noted concerns as, despite the recommendations of the Productivity Commission, these unfortunately do not appear to have been considered in the final drafting of either this legislation or the corresponding program guidelines.

As members of Community Child Care Co-operative NSW and the NSW Children’s Services Forum, we would also like to make clear that we fully support their submissions to the inquiry. Given our own expertise and experience, our submission will focus on the particular elements of the “Jobs for Families Child Care Package,” as it currently stands, that we believe will most significantly impact CALD communities (including Aboriginal and Torres Strait Islander, refugee and humanitarian entrant families). It may be useful here to remind you that over 25% of Australia’s population identifies as being from a CALD background.

If you have any questions, or require any further clarification, please do not hesitate to contact us.

Yours sincerely,

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Submission Summary

- Strongly welcome the Australian Government's commitment to make early childhood education and care more affordable, accessible and flexible.
- Appreciate the increase in support for low and middle income families.
- Support the simplification of the current Child Care Benefit and Child Care Rebate into a single subsidy paid directly to children's services and passed on to families.
- Concerned about the complexity of the system, particularly with the adoption of the new Activity Test.
- Troubled by the lack of commitment to supporting quality early childhood learning, despite recognition of its multitude of benefits for children, families and communities.
- Remain concerned about the impact that the new Activity Test will have on many children, especially those from low income, single-parent and culturally and linguistically diverse (including new migrant, Aboriginal and Torres Strait Islander, refugee and humanitarian entrant) families.
- Apprehensive about the details of the programs associated with this legislation, especially the new Inclusion Support Programme, and the apparent loss of specific provisions to support the participation and inclusion of culturally and linguistically diverse (including Aboriginal and Torres Strait Islander, refugee and humanitarian entrant) children and families.
- Worried that the closure of the Professional Support Co-ordinators will significantly impact upon the ability to the sector to access high quality, affordable professional development.

Introduction

Founded in 1978, Ethnic Community Services Co-operative (ECSC) is a not for profit organisation with an extensive history of grass roots engagement with culturally and linguistically diverse (CALD) communities. ECSC's current focus is working with CALD communities including children and families, people with disabilities, the frail aged and carers. We also focus on building the capacity of mainstream service providers to facilitate culturally appropriate service delivery. ECSC promotes the rights of CALD people through systemic advocacy and policy development, and collaborates with members and other agencies to respond to community needs.



ECSC founded and pioneered the programs that were the precursors to Bicultural Support¹, including the Ethnic Child Care Development Unit and the Casual Ethnic Workers Pool (CEWP). CEWP was established in 1981 to support the participation and inclusion of CALD children and families into children's services, initially in inner Sydney, expanding over many years to support children, families and communities across the entire state of NSW. ECSC is currently subcontracted by Children's Services Central² to deliver Bicultural Support in NSW, and have been doing so since the Inclusion and Professional Support Programme (IPSP)³ was inaugurated in 2006.

Affordability, Accessibility, Flexibility

Ethnic Community Services Co-operative appreciates that the Australian Government is committed to simplifying the existing early childhood education and care system. We agree that affordability, accessibility and flexibility are major concerns for many families, including those from CALD backgrounds. We acknowledge modelling that suggests that many families will be, on average, \$30 per week better off as a result of the new Child Care Subsidy.⁴ However, we remain concerned that the cost of accessing early childhood education and care will continue to mean that it is out of reach for many, particularly those from low income, single-parent and multi-child households, in which culturally and linguistically diverse families (including new migrant, Aboriginal and Torres Strait Islander, refugee and humanitarian entrant families) are disproportionately represented. While the average family may be able to anticipate being slightly better off as a result of the Child Care Subsidy, the parent co-payment will remain high. Public expenditure on early childhood education in Australia was the lowest in the OECD in 2012 (the last year for which comparative data have been compiled) – less than 0.2% of GDP (of which less than half, or about 0.1%, was public expenditure).⁵

¹ Bicultural Support is a current element of the Australian Government Department of Education and Training's Inclusion and Professional Support Programme (IPSP), a sub-programme of the Child Care Services Support Programme. "**Bicultural Support** - provides additional resources to eligible child care and early learning services to assist with the inclusion of children from culturally and linguistically diverse backgrounds, refugee or humanitarian background and Indigenous children. Access to bicultural support is provided to eligible child care services free of charge." (Australian Government Department of Education and Training, "Inclusion and Professional Support Program" <https://www.education.gov.au/inclusion-and-professional-support-program> Accessed January 2016.) Ethnic Community Services Co-operative has delivered Bicultural Support in NSW since the IPSP was inaugurated in 2006.

² Children's Services Central is currently the Professional Support Co-ordinator for NSW.

³ "The objective of IPSP is to promote and maintain high quality, inclusive education and care, for all children, including those with ongoing high support needs, in eligible child care and early learning settings. This is achieved by increasing the knowledge and skills of educators, and the capacity of services, through providing professional development, advice and access to additional resources and inclusion support." (Australian Government Department of Education and Training)

⁴ Birmingham, Senator the Hon Simon and The Hon Christian Porter MP, "Family Tax reform to better support Australian children", The Department of Education and Training Media Centre, 2 December 2015 <https://ministers.education.gov.au/birmingham/family-tax-reform-better-support-australian-children> Accessed January 2016.

⁵ Organisation for Economic and Cultural Development, "Education at a Glance 2015: OECD Indicators, Table C2.4, Expenditure on pre-primary educational institutions (2012)." http://www.keepeek.com/Digital-Asset-Management/oecd/education/education-at-a-glance-2015_eag-2015-en#page330 Accessed January 2016.



This can be compared to the OECD average of more than 0.6% (the vast majority of which is public expenditure). Perhaps it is unsurprising then that Australia also has one of the lowest rates of enrolment in ECEC of all OECD countries.⁶ Unless there is a significant additional injection of funding into the early childhood education and care system, Australia will only fall further behind the rest of the OECD. While the Child Care Subsidy will reduce the cost of care for some families, it is insufficient to raise the level of attendance to what it should be – a minimum of 2 days per week in a high quality early learning program for all pre-school aged children.

Affordability will also remain an issue in metropolitan areas where the cost of childcare is particularly high. The per hour subsidy cap is not sufficient to cover the cost of care in areas like central Sydney and Melbourne where families are charged upwards of \$150 per day to enrol their child in Long Day Care. It is also important to note that Long Day Care centres do not charge fees on a per hour basis. Rather, they charge per day. For a child attending care 10 hours per day, 5 days per week (the maximum allowed subsidised hours) at a service that charges \$150 per day this works out to \$15 per hour, substantially higher than the subsidy cap of \$11.55. Sourcing cheaper care further out of the city is not always a viable option, even for families that live far from the city centre. Parents and carers will be forced to determine whether to pay for 10 hours of care near work at a higher rate (with subsidy for all 10 hours) or for 12 hours of care near home at a lower rate (but subsidised for only 12 hours).

ECSC is also concerned about the impact of this amendment on Aboriginal and Torres Strait Islander families and communities. Support for the Budget Based Funded (BBF) service program, which currently funds many Aboriginal services, is expected to cease in July 2017. We are unconvinced that the transition program, which will attempt to support services to shift over to the mainstream subsidy system, will work. The reality is that the challenges faced by many current BBF services are unique and, even if supported, they may never be able to successfully transition into the mainstream subsidy system. This “one size fits all approach” will not work. Access to affordable, high quality, culturally appropriate early learning programs is particularly crucial for Aboriginal and Torres Strait Islander children, many of whom are already significantly disadvantaged when compared to their peers. Aboriginal and BBF services provide crucial services within their community. The loss of this funding will mean that they are no longer able to carry out this key work. ECSC recommends that the Committee seriously consider the impacts that the loss of BBF funding, and this new system, will have on Aboriginal children, families and communities, and commit to extending BBF, or similar funding, for Aboriginal communities.

Quality

Ethnic Community Services Co-operative are concerned that the focus on affordability, and particularly on increasing job force participation, allows policymakers to ignore another key element

⁶ Organisation for Economic and Cultural Development, “Education at a Glance 2014: OECD Indicators Table C1.1a. Enrolment rates in education, by age groups (2012).” <http://www.oecd.org/edu/Education-at-a-Glance-2014.pdf>
Accessed January 2016.



of the “childcare” system – the significant impacts of quality early childhood learning on children, families and society as a whole. ECSC recommends that the legislation be amended to make it clear that early childhood education and care serves a dual purpose – increasing workforce participation AND supporting children’s learning and development in order to give them (and Australia) the best chance of future lifelong success.

As a result of the high cost of the current system, early childhood education, and the crucial benefits that it delivers, remains unobtainable for many children. The positive impacts of high quality early childhood education on individuals, families, communities and economies have been well documented, including in the Productivity Commission Inquiry into Childcare and Early Childhood Learning (2014); the Regulatory Impact Statement – Jobs for Families Childcare Package (2015); and the Explanatory Memorandum to the Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2015:

Early childhood education and care plays a vital role in the development of Australian children and their preparation for school. Access to early childhood education and care is also *one of the most effective early intervention strategies to break the cycle of poverty and intergenerational welfare dependence* [emphasis ours].”⁷

A report by RAND Corporation in 2005 found that: “Early childhood intervention programs have been shown to yield benefits in academic achievement, behavior, educational progression and attainment, delinquency and crime, and labor market success, among other domains.”⁸ They concluded that short-term investment in quality early childhood learning programs resulted in substantial economic gains in the medium to long-term: “Well-designed early childhood interventions have been found to generate a return to society ranging from \$1.80 to \$17.07 for each dollar spent on the program.”⁹ Likewise, Nobel Prize winning economist James J. Heckman argues that investing in early childhood makes the most economic sense, with a higher return on investment than primary and secondary education or post-school training programs. “Early childhood education is an efficient and effective investment for economic and workforce development. The earlier the investment, the greater the return on investment.”¹⁰ The benefits, to children, families, communities and the economy, of *high quality* early childhood learning programs that are accessible, affordable and flexible enough to meet the needs of all families, cannot be

⁷ The Parliament of the Commonwealth of Australia, *Family Assistance Legislation Amendment (Jobs For Families Child Care Package) Bill 2015 - Explanatory Memorandum*, p. 6.

⁸ Karoly, Lynn, Rebecca Kilburn and Jill Cannon, “Proven Benefits of Early Childhood Interventions” RAND Research Brief, 2005. http://www.rand.org/pubs/research_briefs/RB9145.html Accessed January 2016.

⁹ Ibid.

¹⁰ Heckman, James J., “Invest in Early Childhood Development: Reduce Deficits, Strengthen the Economy” <http://heckmanequation.org/content/resource/invest-early-childhood-development-reduce-deficits-strengthen-economy> Accessed January 2016.



overstated. Ethnic Community Services Co-operative urges the Australian Government to remember the benefits, other than a potential increase in workforce participation, of early learning programs and to incorporate this into their policies, programming and rhetoric. Changing the current terminology of “Early Childhood and Childcare” and committing to language that clearly acknowledges the educational benefits of children’s services (for example “Early Childhood Education and Care” or “Early Childhood Learning”) could be the first step.

Activity Test for Eligibility for the Child Care Subsidy

Ethnic Community Services Co-operative (ECSC) continues to have major concerns about the impact that the activity test requirement will have on many children and families, and in particular on culturally and linguistically diverse (CALD) (including Aboriginal and Torres Strait Islander, refugee and humanitarian entrant) children and families.

ECSC is concerned that the introduction of the proposed activity test will increase the complexity of the system and further reduce accessibility for the families in greatest need of early childhood education and care (ECEC). As previously mentioned (see above), the positive impacts of high quality early childhood education on individuals, families, communities and economies have been well documented. We remind the Committee that the Explanatory Memorandum to the Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2015 contains the following statement:

"Early childhood education and care plays a vital role in the development of Australian children and their preparation for school. Access to early childhood education and care is also *one of the most effective early intervention strategies to break the cycle of poverty and intergenerational welfare dependence* [emphasis ours]."¹¹

It has also been widely noted that high quality out-of-home education and care is particularly beneficial for vulnerable children, which includes children from CALD backgrounds. In the Regulatory Impact Statement – Jobs for Families Childcare Package (2015), the Australian Government explicitly stated that improving participation for several groups (including CALD and Aboriginal and Torres Strait Islander children) is a priority. However, as we have noted in previous submissions, the Activity Test is likely to only further reduce accessibility to ECEC services for these groups, who are disproportionately affected by mental illness, domestic violence and drug and alcohol addiction, conditions which impact upon an individual’s ability to participate in work, study or training.

¹¹ The Parliament of the Commonwealth of Australia, p. 6.



In addition to finding it more difficult to communicate as a result of potentially low levels of English, newly arrived refugees and humanitarian entrants are more likely to have undergone severe trauma, impacting upon their mental health. For these individuals, employment or study, at least in the immediate term, may not be a possibility. Forcing refugees and humanitarian entrants to meet an activity test in order to access subsidised ECEC for their children will only further reduce accessibility for these already disadvantaged groups.

In 2011, unemployment rates were more than three times higher among Indigenous¹², than non-Indigenous¹³, Australians. There are a large number of factors affecting this including the high proportion of Aboriginal and Torres Strait Islander families living in regional and remote communities where employment is more difficult to attain, and the much higher levels of mental illness and drug and alcohol abuse. Indigenous children were identified by the Productivity Commission Inquiry into Childcare and Early Childhood Learning as among those most in need of high quality ECEC – why create conditions that are more likely to further exclude them?

It seems counter-intuitive to identify that the impacts of high quality ECEC are strongest among certain populations (including Aboriginal and Torres Strait Islander and CALD children), state the need to prioritise access for these groups, and then restrict their ability to access services by instigating an activity test that they are more likely to fail. As Professor Deb Brennan from the University of Sydney stated to The Australian in 2014: “Why are we punishing children whose parents are struggling to get their lives together? I cannot see the logic of this. The opposite course of action — taking measures to enroll disadvantaged and low-income children in high-quality services — would serve our long-term national goals far more effectively.”¹⁴

ECSC does not support the introduction of the Activity Test because we believe that it will only further reduce accessibility for vulnerable children. Given the strong benefits of out-of-home ECEC for children, families and communities, we believe that high quality service should be available, accessible and affordable for all children, regardless of their parents’ willingness or ability to work, study or seek employment. It is the vulnerable children who will suffer most if this activity test is initiated. As the drafters of this legislation have themselves pointed out “Access to early childhood education and care is also one of the most effective early intervention strategies to break the cycle of poverty and intergenerational welfare dependence.”¹⁵ Investment in early childhood education is an investment in the future success of Australia. If the Government insists on going ahead with the Activity Test as an eligibility requirement for the new Child Care Subsidy, Ethnic Community Services Co-operative recommends that, at a minimum, Aboriginal and Torres Strait Islander

¹² Australian Bureau of Statistics, “6287.0 – Labour Force Statistics of Aboriginal and Torres Strait Islander Australians, Estimates from the Labour Force Survey, 2011”
<http://www.abs.gov.au/ausstats/abs@.nsf/Products/6287.0~2011~Chapter~Unemployment> Accessed September 2014.

¹³ Australian Bureau of Statistics, “Media Release: Australia’s Unemployment Rate at 5.2 per cent in December 2011”
<http://www.abs.gov.au/ausstats/abs@.nsf/lookup/6202.0Media%20Release1Dec%202011> Accessed September 2014.

¹⁴ Patricia Karvelas, “Tougher work test on childcare payment recipients to save \$400m,” The Australian, 15 August 2014.

¹⁵ The Parliament of the Commonwealth of Australia, p. 6.



families, and refugee and humanitarian entrants and their children be exempted.

Immunisation

Ethnic Community Services Co-operative acknowledges the medical and public health benefits of childhood immunisation and supports the Australian Government in its efforts to encourage families to immunise their children. We appreciate that catch-up schedules are in operation to allow families who have not yet immunised their children time to do so. However we know that many CALD families, and in particular new arrivals, do not have the necessary immunisations. This may be for a variety of reasons including not being aware of the immunisation requirements, not understanding the medical benefits of immunisation, fear or distrust of public health officials, or confusion around how to navigate the Australian health system. ECSC would like to see a clear commitment to communicating information about the benefits of childhood immunisation to CALD families, through a variety of different mediums (e.g. in print, online, through respected community workers) in a simple and clear way, and crucially, in community languages.

Inclusion Support Programme

The release, shortly before Christmas, of the draft Inclusion Support Programme guidelines, was a cause of great concern for Ethnic Community Services Co-operative. Despite the recommendations of the Productivity Commission Inquiry and the language of the Regulatory Impact Statement, Bicultural Support appears to have been all but removed from the new Inclusion Support Programme. We continue to believe that Bicultural Support should be retained as a semi-independent program that is freely accessible to all eligible children's services. The majority of funding for the new Inclusion Support Programme is intended to be used to support the inclusion of children with disability into children's services. We by no means dispute that there is a very real and serious need for support in this area. However, continued support to encourage the increased participation and inclusion of CALD (including Aboriginal and Torres Strait Islander, refugee and humanitarian entrant) children and families remains crucial.

The final report of the Productivity Commission's Inquiry into Childcare and Early Learning recommended that funding to Bicultural Support be substantially increased, to \$4.5 million¹⁶, in order to increase the number of hours for which children's services could have access to a Bicultural Support Worker, and to account for population growth: "the budget should be increased for... Bicultural Support to allow services access to at least 20 hours of support to settle new culturally and linguistically diverse families and their children into an ECEC service."¹⁷ Unfortunately, despite this recommendation, the draft Inclusion Support Programme guidelines appeared to suggest that Bicultural Support would no longer exist as a stand-alone program. Rather, services would be able

¹⁶ Productivity Commission 2014, *Childcare and Early Childhood Learning*, Inquiry Report No. 73, Canberra, p.635.

¹⁷ Ibid, p. 48.



to apply for funding to “purchase” the services of a bilingual or bicultural worker (it is unclear where they would find these workers). The application process appears to have been designed to be so time-consuming and complex that no service would ever apply. There are already application and evaluation processes in place that many services feel are too onerous. ECSC does not agree – we believe that the current system works well and provides the necessary checks and balances to ensure that the system is not abused, and evaluation processes that allow for the continuous improvement of the program.

We believe that it is necessary for Bicultural Support to be retained as a semi-independent program. The positive impacts of the program have been well documented over the past decades. In 1997, the United Nations Educational, Scientific and Cultural Organization (UNESCO) recognised the Casual Ethnic Workers Pool (the precursor to Bicultural Support) as a model of good practice in its publication *First Steps: Stories on Inclusion in Early Childhood Education*.¹⁸ Since the Inclusion and Professional Support Programme was inaugurated in 2006, Bicultural Support in NSW has received countless testimonials from educators, families and children who are thrilled with the outcomes of the program, and the very real impacts that they themselves have witness and experienced. Here are just a few recent examples:

You can almost see the relief on people’s faces when they walk in the door and see someone familiar. Our families relax when they see someone they can communicate with, who understands them...You can imagine what a huge ask it would be for those refugee parents to leave their children in the care of a complete stranger – that familiar face just makes it easier for them, the children and us...”

Caterpillar House Occasional Child Care Association Inc.

“Today I have received some feedback from [a service in] Terrigal, about the Chinese Bicultural Support that they currently have in place within their 3-4’s care environment. This support has been extremely positive and successful. Prior to this support, the child spent nearly all of his day crying, and was not comfortable/calm enough to engage in group times or experiences with his peers, and was very limited in his play. The Educators had a great moment this week, where he engaged in group time and sang a song with his peers – the Educators were moved to tears, because this seemed to be such a turning point, and his behaviours and happiness in general seemed to have improved greatly. The child’s mum has also commented to educators that it has also made a difference to his happiness and behaviour at home.”

Inclusion Support Facilitator

“We had a huge success with the young child who was extremely unsettled and vomiting due to stress. By the end of the Bicultural Support experience he was interacting with other children and Educators. We really appreciate all this work for our Service. Their work is invaluable.”

Possums Playground Occasional Care

¹⁸ United Nations Educational, Scientific and Cultural Organization 1997, *First Steps: Stories on Inclusion in Early Childhood Education*, Paris, pp. 4-14.



“The first week I noticed a change in the way “H” behaved. He seemed less panicked and calmer. He began to relax more with the staff and use his language to communicate his needs and wants. We will continue to use Bicultural Support to assist children from CALD background. This promotes self-esteem and feelings of self-worth for children and encourages them to gain a feeling of belonging.”

Goodstart Kellyville Ridge

“It is good that you can understand me, because it is very funny that the other staff can't understand, and I have to talk very simply to them...”

A child to their Bicultural Support Worker

The maintenance of Bicultural Support, or a similar program designed to support CALD families, is particularly important in light of the fact that increased numbers of refugee children and families, often with very particular and complex needs, are expected to be arriving in Australia over the coming months. Early childhood education and care services tend to be among the first services accessed by new migrant families, and thus it is crucial for them to feel welcome, supported and included by these services.

There have also been suggestions that services may be provided with a pot of money, or a capped amount of funding, that they can choose how to spend within the Inclusion Support Programme. We are very concerned that if funding is structured in this way, CALD children and families would suffer. This is largely because supporting children with disabilities is very expensive and services would likely prioritise spending into this area (as has happened in the past), to the detriment of children and families from CALD, Aboriginal and Torres Strait Islander, refugee and humanitarian entrant backgrounds. This occurred previously with Support Children with Additional Needs (SCAN) funding for Preschools in NSW. Our experience was that many services avoided accessing their SCAN budget, fearful that it would be needed at a later date to support a new child with disability who may enroll with the service in the future. As a result, towards the end of the financial year, there was a mad rush of services seeking to spend their SCAN dollars on Bicultural Support and inclusion training before their spending deadline. Perhaps unsurprisingly, the SCAN program no longer exists.

ECSC also believes that there continues to be a crucial need for high quality affordable professional development opportunities for early childhood educators, including in the area of cultural competence and working effectively with CALD children and families. The closure of the Professional Support Co-ordinators, who currently provide subsidised training to the sector in their state, will significantly reduce access to such services. We urge the Committee to reconsider the need to provide subsidised training, or earmarked funding, to all children's services to upskill their staff.



Conclusion

While there are aspects of the *Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2015* and associated programming that Ethnic Community Services Co-operative supports, we remain concerned that the overall impact on CALD children and families will be negative if this Bill passes the Senate. We strongly urge the Committee to consider the impacts that this legislation would have on CALD communities, noting that more than a quarter of the Australian population identifies as being from a CALD background, and that Australia is expecting an increase in the number of refugee children and families arriving over the coming months.

We are particularly concerned about the impacts of: the Activity Test, and its complexity; the apparent removal of specific provisions for the support of CALD families within the new Inclusion Support Programme; the closure of the Professional Support Co-ordinators and the subsequent loss of access to high quality, affordable professional development opportunities; and the continued lack of recognition of the enormous value that early childhood learning programs have on children, families and communities.

If the Committee has any questions, or requires any further clarification, on any of the issues raised within this submission, please do not hesitate to contact us.

Yours sincerely,

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