



Childcare Inquiry Taskforce
Australian Competition & Consumer Commission
GPO Box 3131
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By email: childcareinquirytaskforce@acc.gov.au

27 October 2023

Submission in response to the *Childcare Inquiry draft finding and recommendations*

Thank you for this opportunity to respond to the draft findings of this Inquiry.

Uniting NSW.ACT contributes to the work of the Uniting Church in NSW and the ACT, through social justice advocacy, community services and spiritual care. We provide services for all people through all ages and stages of life, and drive solutions to systemic issues so people experiencing disadvantage can live their best lives. Our purpose is to inspire people, enliven communities and confront injustice. We value diversity and always welcome everyone exactly as they are.

Our submission is informed by our experience in delivering early learning services across NSW and the ACT. We provide support for more than 4,000 children across our 50 preschools and long day care services.

Our aspiration is for every child in NSW and the ACT to have the opportunity to participate in quality early childhood education, and to be school-ready by 5 years old. We believe that this can only be achieved through sustained investment in early learning which addresses both financial and non-financial barriers to access and attendance.

In this response we have focused on the experiences of First Nations communities, particularly in regional and remote areas. We believe that the recommendations provided will support the development of a more inclusive, culturally appropriate and accessible early learning system which enables First Nations children to benefit from early learning. We support the submission from the Early Learning & Care Council of Australia which provides additional feedback and recommendations.

We believe that the current system focuses too narrowly on enabling women's participation in the workforce rather than the broader social benefits of quality early learning and its role in addressing disadvantage and inequality.¹ Policy decisions aimed at improving access to early learning are targeted towards financial barriers by reducing service fees, primarily through subsidies. While these are a crucial tool in reducing financial barriers to participation, they fail to adopt a holistic approach which considers non-financial barriers which prevent children from accessing early learning.

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We need to reimagine the purpose of early learning and adopt a more expansive view which sees early learning as not just a mechanism for improving workforce participation among parents and individual outcomes for children. Early learning should be understood as an investment in Australia's future which supports stronger and more connected communities and acts as a tool to address disadvantage and vulnerability for children at risk. Our *More than Money* paper provides further recommendations for government to achieve this vision.ⁱⁱ

At Uniting, we believe that early learning has the potential to improve outcomes for First Nations children, families and communities. While enrolment in early learning for First Nations children has increased, Aboriginal and Torres Strait Islander children are twice as likely as other children to be developmentally vulnerable when they start school.ⁱⁱⁱ Access to early learning is a critical tool in improving outcomes for First Nations children and is associated with improved developmental, educational and social outcomes.^{iv}

We support the development of the Aboriginal Community-Controlled Organisation (ACCO) sector, including in the early learning sector, as a tool for enabling self-determination for First Nations communities. We view partnerships with ACCOs as an important strategy to facilitate reconciliation and cultural safety within our organisation. We have established partnerships with ACCOs within our services, including early learning, which are unique to the communities in which they are based.

Abolish activity tests

We strongly support the abolition of the activity test within the Child Care Subsidy. As recognised by the Interim Report, the activity test is a barrier to accessing early learning services for families including in First Nations communities. This also reflects the position of the Secretariat of National Aboriginal and Islander Child Care (SNAICC).^v

We note that currently *Draft recommendation 2(c)* provides alternatives to abolishing the activity test including relaxing or substantially reconfiguring the test. We reject these options and believe that the recommendation should only include the abolition of the test.

We also do not support the second consideration presented in *Recommendation 2(c)* that an alternative would be to consider a specific entitlement, such as a certain number of days of care. We believe that the removal of the activity cap should not be accompanied by any qualification or limitation.

- **Recommendation:** That ACCC amend *Draft recommendation 2(c)* to
 - only include the abolition of the activity test and remove references to relaxing or reconfiguring the test, and
 - remove the alternative recommendation of providing a specific entitlement as a replacement for the current activity test.

As discussed further in this letter, this recommendation alone will not be sufficient to increase attendance and engagement with the early learning system for First Nations children. By adopting a purely financial lens, we miss the opportunity to address the non-financial barriers to early learning including the need for culturally safe services which reflect the values and knowledge of First Nations communities.

Block funding

Activity based funding through the current Child Care Subsidy disproportionately disadvantages regional and remote communities and risks the viability of services in these areas. This approach is inadequate to support the sector in regional and remote areas

which experience varying attendance rates, limited capacity to pay out of pocket fees, higher staffing costs and acute workforce shortages.

We note that in the *National Agreement on Closing the Gap*, governments agreed that elements of a strong sector are where:

Aboriginal and Torres Strait Islander community-controlled organisations which deliver common services have a dedicated, reliable and consistent funding model designed to suit the types of services required by communities, responsive to the needs of those receiving the services, and is developed in consultation with the relevant Peak body^{vi}

We believe that activity-based funding is not compliant with these objectives.

Block funding, which provides services with funding which is not dependent on child attendance, is a more effective way of supporting the stability and expansion of early learning in regional and remote communities. This provides certainty in funding, allowing providers to develop new facilities and maintain existing services without the risks associated with reliance on activity-based income.

We strongly recommend that the reforms to early learning funding include provision for block-based funding. This funding model should also include flexibility for funding increases according to need, particularly in areas of disadvantage where children may require more intensive supports. Block funding should not be stagnant but reflect the challenges associated with delivering early learning in regional and remote centres and be scalable according to the needs of children.

- **Recommendation:** That the ACCC recommends governments establish block-based funding models for regional and remote communities which also include sufficient flexibility to provide increases in funding where a child requires more intensive supports.

Culturally appropriate services

We endorse the position of SNAICC in the *Early Years Position Paper^{vii}*. The history of colonialism, systemic discrimination, intergenerational trauma and community disempowerment has created a legacy of mistrust in government systems and services among First Nations communities. The current early learning system does not consistently value and integrate the culture and knowledge held by First Nations communities and as such is not seen as a safe place for First Nations families to entrust their children. We make this observation of the system as a whole, notwithstanding pockets of excellence in some services, providers and regions.

The current design of early learning services reflects a Western understanding of early learning in which children are separated from the community and cared for by non-familial carers. Children in these settings learn from curriculum set by a system which does not value or teach traditional learnings or ways of learning. Families are expected to entrust their young children to a service which can appear institutional and removed from the values central to First Nations culture. First Nations families must be able to trust that early learning services reflect their love for their children and desire for them to be taught in a safe setting which is an extension of culture and country.

Building and continuing to invest in standardised childcare settings will not address the non-financial barriers to accessing early learning for First Nations families. These settings fundamentally do not meet the needs of communities. A new approach is needed which empowers communities to care for children in a culturally safe setting where preparation

for school is intrinsically linked to learning about culture and dreaming. These two elements of early learning should not be separated.

First Nations children should have access to early learning services which are integrated within the community with a homelike environment which is connected to country. Each service should be adapted with and to the community in which it is based, be staffed and governed by First Nations people and have a curriculum which is both connected to the expectations for early learning set by government and the expectations of communities to see their children raised in a safe and culturally appropriate environment. Only then will First Nations communities feel safe to engage with the early learning system.

A focus on financial barriers to care is not sufficient to increase attendance among First Nations children. We need to develop a new way of thinking which is not bound by ideals set by non-First Nations systems and government bodies.

- **Recommendation:** That the ACCC recommends governments and First Nations communities co-design new early learning systems which enable place-based, community-governed services and reflect the importance of culture.

We believe that this recommendation is incomplete without consideration of the need for investment in the First Nations early learning workforce. To improve early learning outcomes for First Nations children, First Nations people must be at the centre of service delivery. The *National Children's Education and Care Workforce Strategy*^{viii} and *National Aboriginal and Torres Strait Islander Early Childhood Strategy*^x provide a blueprint for how this can be achieved. We encourage the ACCC to consider these strategies and the role of government in increasing First Nations representation within the early learning workforce.

- **Recommendation:** That the ACCC recommends that governments invest in the development of the First Nations early learning workforce in alignment with existing strategies including the *National Children's Education and Care Workforce Strategy* and the *National Aboriginal and Torres Strait Islander Early Childhood Strategy*.

Further, we encourage the ACCC to consider the role of an early childhood teacher or educator in First Nations communities. To be considered an educator in early learning settings, a person must hold or be actively working towards at least an approved Certificate III-level education and care qualification. Comparatively, in First Nations communities an educator may mean someone with traditional or cultural knowledge to share with children, rather than a person with formal qualifications. This knowledge is not recognised in early learning despite the importance of learning about culture for First Nations children and families.

The ACCC may wish to recommend governments provide pathways and funding for First Nations community members to be employed as cultural teachers within early learning without requiring formal qualifications. This would support Goal 3 of the *National Aboriginal and Torres Strait Islander Early Childhood Strategy*, being that Aboriginal and Torres Strait Islander children are supported to establish and maintain strong connections to culture, Country, and language.^x

- **Recommendation:** That the ACCC recommend governments establish and fund roles for First Nations educators within the early learning system which are not dependent on formal qualifications, and facilitate access to pathways and funding for First Nations educators to work towards obtaining formal training and/or qualifications.

Conclusion

The ACCC review provides an opportunity to consider the accessibility and cultural safety of the early learning system for First Nations communities. This is an opportunity to consider both financial and non-financial barriers to care.

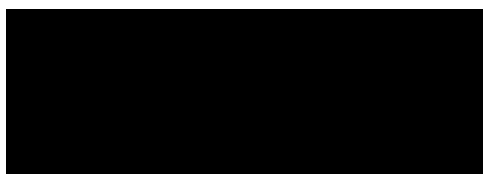
Our recommendations reflect our experience as a provider of early learning services and our ambition to ensure that all children have access to quality early learning. These include that the ACCC:

- Amend *Draft recommendation 2(c)* to
 - only include the abolition of the activity test and remove references to relaxing or reconfiguring the test, and
 - remove the alternative recommendation of providing a specific entitlement as a replacement for the current activity test.
- Recommend governments establish block-based funding models for regional and remote communities which also include sufficient flexibility to provide increases in funding where a child requires more intensive supports,
- Recommend governments and First Nations communities co-design new early learning systems which enable place-based, community governed services and reflect the importance of culture,
- Recommend that governments invest in the development of the First Nations early learning workforce in alignment with existing strategies including the *National Children's Education and Care Workforce Strategy* and *National Aboriginal and Torres Strait Islander Early Childhood Strategy*, and
- Recommend governments establish and fund roles for First Nations educators within the early learning system which are not dependent on formal qualifications.

Finally, these changes should be developed in partnership with First Nations communities who should be central to all aspects of early learning planning and service delivery.

Please do not hesitate to contact us for further information.

Yours sincerely,



Sue Shilbury

Director, Communities

ⁱ Uniting NSW.ACT (2023), *More than Money: Why some children are still left behind by early learning*, <https://www.uniting.org/blog-newsroom/research-publications/Articles/white-paper-more-than-money>

ⁱⁱ Uniting NSW.ACT (2023), *More than Money: Why some children are still left behind by early learning*, <https://www.uniting.org/blog-newsroom/research-publications/Articles/white-paper-more-than-money>

ⁱⁱⁱ Secretariat of National Aboriginal and Islander Child Care, *Early Childhood*, <https://www.snaicc.org.au/policy-and-research/early-childhood/>

^{iv} Uniting NSW.ACT (2023), *More than Money: Why some children are still left behind by early*

learning, <https://www.uniting.org/blog-newsroom/research-publications/Articles/white-paper-more-than-money>; Australian Government (2021), *National Aboriginal and Torres Strait Islander Early Childhood Strategy* (2021), <https://www.niaa.gov.au/sites/default/files/publications/niaa-early-years-strategy-5.pdf>

^v Secretariat of National Aboriginal and Islander Child Care (2023), *ACCC Report highlights need for action on childcare for Aboriginal and Torres Strait Islander children*, <https://www.snaicc.org.au/accc-report-highlights-need-for-action-on-childcare-for-aboriginal-and-torres-strait-islander-children/>

^{vi} Closing the Gap (2020), *National Agreement on Closing the Gap*, https://www.closingthegap.gov.au/sites/default/files/2022-09/ctg-national-agreement_apr-21-comm-infra-targets-updated-24-august-2022_0.pdf

^{vii} Secretariat of National Aboriginal and Islander Child Care (2019), *Position Paper: Working together to ensure equality for Aboriginal and Torres Strait Islander children in the early years*, <https://www.snaicc.org.au/wp-content/uploads/2019/02/SNAICC-ECA-Early-Years-Position-Paper-Feb2019.pdf>

^{viii} Australian Government (2021), *Shaping our Future: A ten-year strategy to ensure a sustainable, high-quality children's education and care workforce 2022-2031*, <https://www.acecqa.gov.au/sites/default/files/2021-10/ShapingOurFutureChildrensEducationandCareNationalWorkforceStrategy-September2021.pdf>

^{ix} *National Aboriginal and Torres Strait Islander Early Childhood Strategy* (2021), <https://www.niaa.gov.au/sites/default/files/publications/niaa-early-years-strategy-5.pdf>

^x *National Aboriginal and Torres Strait Islander Early Childhood Strategy* (2021), <https://www.niaa.gov.au/sites/default/files/publications/niaa-early-years-strategy-5.pdf>