

SUBMISSION TO THE ACCC SEPTEMBER INTERIM REPORT

October 2023



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About SNAICC

SNAICC is the national non-government peak body for Aboriginal and Torres Strait Islander children. We work for the fulfilment of the rights of our children, to ensure their 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, crèches, long day care child care services, pre-schools, early childhood education services, early childhood support organisations, family support services, 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, which 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, State and Territory Governments to improve how agencies design and deliver supports and services for Aboriginal and Torres Strait Islander children and Torres Strait Islander children.

As the national peak body for Aboriginal and Torres Strait Islander children, SNAICC consults with its member organisations and Aboriginal and Torres Strait Islander leaders to ensure the experiences, needs and aspirations of our leaders, our sector and ultimately, our children and families are the foundation for our submissions and recommendations.

Self-Determination

SNAICC advocates for the full enactment of self-determination in all legislation, policies, and strategies. Self-determination describes the right of Aboriginal and Torres Strait Islander peoples to autonomy and self-governance.¹ The United Nations Expert Mechanism on the Rights of Indigenous People under UNDRIP connects the capacity of Indigenous peoples to meet their children's needs with their ability to exercise self-determination².

The Commonwealth Government has taken important steps towards recognising the rights of Aboriginal and Torres Strait Islander peoples to self-determination in matters relating to children. The Safe and Supported, National Framework for Protecting Australia's Children 2021-2031 commits

¹ SNAICC 2022, 'The Family Matters Report 2022: Measuring trends to turn the tide on the over-representation of Aboriginal and Torres Strait Islander children in out-of-home care'. Retrieved from: <u>https://www.familymatters.org.au/wp-content/uploads/2022/11/20221123-Family-Matters-Report-2022-1.pdf</u> pg. 90.

² United Nations Human Rights Council 2021, 'Rights of the Indigenous child under the United Nations Declaration on the Rights of Indigenous Peoples'. Retrieved from: <u>G2121979.pdf (un.org)</u>, pg. 2



to progressive systems transformation that has Aboriginal and Torres Strait Islander selfdetermination at its centre and defines self-determination as:

a collective right of Aboriginal and Torres Strait Islander peoples to determine and control their own destiny. It is a right of Aboriginal and Torres Strait Islander peoples to exercise autonomy in their own affairs and to maintain and strengthen distinct political, legal, economic, social and cultural institutions.³

For too long, governments have decided what works and what doesn't for Aboriginal and Torres Strait Islander people and communities without delivering meaningful and tangible positive change for our children and families. Enacting self-determination is critical to designing and implementing effective policies that achieve better outcomes for Aboriginal and Torres Strait Islander children.

National Agreement on Closing the Gap

In July 2020, the Australian Government, all state and territory governments, and the Coalition of Peaks signed the National Agreement on Closing the Gap (National Agreement). The National Agreement seeks to overcome the entrenched inequalities faced by Aboriginal and Torres Strait Islander people, pushing for equality in life outcomes for all Australians.

The National Agreement is built around four Priority Reforms to change the way governments work with Aboriginal and Torres Strait Islander communities, organisations, and people across the country. The Priority Reforms are based on what Aboriginal and Torres Strait Islander people have been saying for a long time is needed to improve the lives of our people, and have been committed to by all Australian, state and territory governments.

The Priority Reforms must inform all government action including legislation, policy, and practice, whether these actions are targeted for Aboriginal and Torres Strait Islander peoples or impact them as part of the general population. The Priority Reforms are listed below.

1. Formal Partnerships and Shared Decision Making

Aboriginal and Torres Strait Islander people are empowered to share decision-making authority with governments to accelerate policy and place-based progress on Closing the Gap through formal partnership arrangements.

2. Building the Community Controlled Sector

There is a strong and sustainable Aboriginal and Torres Strait Islander communitycontrolled sector delivering high quality services to meet the needs of Aboriginal and Torres Strait Islander people across the country.

³ Department of Social Services 2021, 'Safe and Supported: the National Framework for Protecting Australia's Children 2021-2031 (the National Framework)'. Retrieved from: <u>https://www.dss.gov.au/sites/default/files/documents/12_2021/dess5016-national-framework-protecting-childrenaccessible.pdf</u>, pg. 51.



3. Transforming Government Organisations

Governments, their organisations and their institutions are accountable for Closing the Gap and are culturally safe and responsive to the needs of Aboriginal and Torres Strait Islander people, including through the services they fund.

4. Shared Access to Data and Information at a Regional Level

Aboriginal and Torres Strait Islander people have access to, and the capability to use, locally relevant data and information to set and monitor the implementation of efforts to close the gap, their priorities and drive their own development.⁴

Aboriginal and Torres Strait Islander Community Controlled Organisations (ACCOs)

As outlined in the National Agreement, Aboriginal and Torres Strait Islander community control is an act of self-determination. While Aboriginal and Torres Strait Islander Community Controlled Organisations (ACCOs) may look and operate differently depending on the context and needs of the community they operate within, all ACCOs centre on delivering services that build the strength and empowerment of Aboriginal and Torres Strait Islander communities.

To be considered an ACCO, an organisation must be:

- a. incorporated under relevant legislation and not-for-profit
- b. controlled and operated by Aboriginal and/or Torres Strait Islander people
- c. connected to the community, or communities, in which they deliver the services
- d. governed by a majority Aboriginal and/or Torres Strait Islander governing body.⁵

⁴ Australian Government, 'Closing the Gap Priority Reforms'. Retrieved from: <u>https://www.closingthegap.gov.au/national-</u> agreement/priority-reforms

⁵ Clause 44, Australian Government, 'Closing the Gap Priority Reforms'. Retrieved from: https://www.closingthegap.gov.au/national-agreement/national-agreement-closing-the-gap/6-priority-reform-areas/two

Response to recommendations

Recommendation	Comments
1 - The ACCC recommends that the Australian Government	SNAICC supports this recommendation. The Australian Government should prioritise the
reconsider and restate the key objectives and priorities of its	development and wellbeing of children as the primary objective of childcare, with a focus on
childcare policies and supporting measures, including the	ensuring equitable access to these services for all children.
relevant price regulation mechanism.	
2 - The ACCC recommends further consideration and	SNAICC supports this recommendation and the additional considerations. During recent
consultation on changes to the Child Care Subsidy and existing	consultation, ACCO early years services reiterated the challenges experienced as a result
hourly rate cap mechanism, to simplify their operation and	of the current Child Care Subsidy (CCS) system.
address unintended consequences, including on incentives and	
outcomes. In doing so, we recommend consideration be given to: a) determining an appropriate base for the rate cap and indexing	Many Aboriginal and Torres Strait Islander families are prevented from accessing early childhood education and care (ECEC) because of the activity test, which dictates the number of hours of CCS a family is entitled to per fortnight. According to Impact
the cap to more closely reflect the input costs relevant to delivery of childcare services. This could include consideration of labour costs as well as the additional costs associated with providing childcare services in remote areas and to children with disability and/or complex needs	Economics, the current activity test is contributing to at least 126,000 children from the poorest households missing out on critical early childhood education and care. Specifically, Aboriginal and Torres Strait Islander families are over five times more likely to be limited to one day of subsidised childcare per week. ⁶
 b) changing the hourly rate cap to align with the relevant pricing practice for the service type. This could include consideration of a daily fee cap for centre based day care. Consideration will need to be given to setting and monitoring minimum requirements to avoid creating incentives for childcare providers to reduce flexibility or quality. 	As noted by the ACCC, the requirements of the activity test are 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. This particularly impacts on families with casual, inconsistent and unstable employment.
c) removing, relaxing or substantially reconfiguring the current activity test, as it may be acting as a barrier to more vulnerable children (for example, households with low incomes or disadvantaged areas) accessing care and creating a barrier to	To ensure Aboriginal and Torres Strait Islander children have equitable access to ECEC services, the activity test must be abolished and the base entitlement of subsidised ECEC should be increased to 30 hours per week for Aboriginal and Torres Strait Islander children aged $0 - 5$.

⁶ Impact Economics And Policy (2022) Child Care Subsidy Activity Test: Undermining Child Development And Parental Participation, p4.

 workforce entry or return for some groups. An alternative would be to consider a specific entitlement, such as a certain number of days of care. d) including a stronger price and outcomes monitoring role by government, supported by a credible threat of intervention, to place downward pressure on fees. 3 - The ACCC supports reconsideration of the information gathered for and reported on StartingBlocks.gov.au so that it is better focused on meeting parents and guardians' information needs, and balanced against the costs of collecting and publishing information. This could include: considering the frequency, granularity and accuracy of information collected and published, to ensure currency for parents and guardians focusing on publishing information that assists parents 	Given that ACCOs are based around community need and context, they are currently underserved by mainstream funding, service and regulatory environments. SNAICC recommends a new funding model be designed that allows for the holistic delivery of integrated early years services. More information on the need for a new funding model is outlined on pages 10-12 of this submission. SNAICC agrees with the ACCC second interim report that StartingBlocks.gov.au does not appear to be widely used by parents. Aboriginal and Torres Strait Islander parents and guardians are more likely to make their decisions about childcare based on information provided by ACCOs, community advice and word of mouth. SNAICC's recent consultation with ACCO early years services highlighted that culture was central to considerations of service quality for Aboriginal and Torres Strait Islander children and families. Currently, the National Quality Framework, and by extension the StartingBlocks.gov.au website, does not reflect this element of quality, making the
 to accurately estimate out-of-pocket costs and relevant information to assist parents assess quality factors incorporating input and advice from the Behavioural Economics Team of the Australian Government ensuring information is appropriately and effectively 	information provided significantly less useful for Aboriginal and Torres Strait Islander parents, guardians and families. If the Australian Government continues to collect and publish data for the StartingBlocks.gov.au website, it should work in partnership with ACCOs and Aboriginal
publicised to parents and guardians.	and Torres Strait Islander parents, guardians and families to identify the information most relevant to their needs and ensure this is included. Information collection should also not place disproportionate burden on ACCO services.
4 - The ACCC recommends that the governments further	SNAICC supports this recommendation, noting that the Aboriginal and Torres Strait
consider how the existing regulatory frameworks support and influence the attraction and retention of educators and	Islander early years workforce is a critical component of the community controlled sector
workforce in the early childhood education and care sector.	providing high quality ECEC services for Aboriginal and Torres Strait Islander children and critical to culturally safe and effective service delivery for non-Indigenous services providers.
	Limited recognition and support of cultural strengths and capabilities in qualifications and regulatory frameworks impacts the attraction and retention of Aboriginal and Torres Strait Islander professionals and the development of local workforces to address sector-wide shortages. This is explored in more detail on pages 13-14 of this submission.

5 - The Australian Government should consider maintaining and expanding supply-side support options for Aboriginal Community Controlled Organisations that provide childcare and additional support services for First Nations children, parents and guardians.	SNAICC strongly supports this recommendation. As outlined on page 5 of this submission, ACCOs play a critical role in delivering ECEC and integrated early years services for Aboriginal and Torres Strait Islander children and families and in ensuring equitable educational and developmental outcomes for Aboriginal and Torres Strait Islander children. Community controlled organisations do not operate in the same way as for-profit childcare businesses and experience a range of challenges within the current funding environment that threaten their operational viability. Expanding supply-side support options for ACCOs requires significant funding reform, investment in the ACCO workforce and investment in backbone support services. This is outlined in further detail on pages 10-14 of this submission.
6 - A market stewardship role should be considered for both Australian and state and territory governments, in identifying under-served areas and vulnerable cohorts, along with intervention whether through public or private provision. A competitive tender process is one tool that could be used by governments to facilitate delivery in these areas.	SNAICC supports the intent of this recommendation to ensure that under-served areas and vulnerable cohorts have equitable access to ECEC and in turn are able to achieve equitable educational and development outcomes where market forces alone are not able to ensure this. In line with Priority Reform 2 of the National Agreement, government intervention in these communities should centre on funding and supporting ACCOs to deliver ECEC services for Aboriginal and Torres Strait Islander children and families. This is often better achieved through targeted and relational contracting processes rather than competitive tendering. SNAICC's <u>Stronger ACCOs</u> , <u>Stronger Families</u> (2023) report provides guidance on effective funding approaches for Aboriginal and Torres Strait Islander communities.
7 - The ACCC supports further consideration of supply-side subsidies and direct price controls. Some changes to the policy settings are likely to reduce the impact of the hourly rate cap as an indirect price control, and may warrant a shift to direct price controls supported by operating grants for regulated childcare providers.	SNAICC supports this recommendation and reiterates that the current CCS and Childcare Safety Net Package are not adequately supporting Aboriginal and Torres Strait Islander children and families' access to high quality, culturally responsive ECEC services. Significant change is required to ensure that ACCOs are able to provide ECEC and integrated early years services in line with community need.



SNAICC agrees with the ACCC's assessment that "market forces alone are unlikely to ensure: equitable educational and or developmental outcomes across all children and households...".

Aboriginal and Torres Strait Islander children remain underrepresented in ECEC – with 26.5 per cent of Aboriginal and Torres Strait Islander children between the ages of zero to four accessing ECEC, compared to 40.8 per cent of non-First Nations children.⁷ Additionally, Target 4 of the National Agreement to increase the proportion of Aboriginal and Torres Strait Islander children who are developmentally on track against all 5 domains is significantly off-track and worsening since the 2018 baseline year.⁸

Current ways of working are leaving Aboriginal and Torres Strait Islander children behind.

As noted in both the June and September interim reports from the ACCC, ACCOs play a critical role in providing high quality, culturally responsive ECEC to Aboriginal and Torres Strait Islander children and families. The connection and accountability that ACCOs have to community makes them uniquely placed to identify the services and supports that are most needed or wanted on a local level.⁹ When a need in the community is identified, ACCOs respond to the need by connecting services together to provide wraparound support that prioritises cultural care and connection.

The knowledge and connections to their communities that ACCOs hold are also a significant strength in engaging people with and delivering services. ACCOs are best placed to understand the needs of Aboriginal and Torres Strait Islander children and families within their communities and deliver the services and supports that will have the greatest impact.

In the context of ECEC, Aboriginal and Torres Strait Islander families value culturally safe early learning for their children to support their child's cultural identity, knowledge, and connection, and to foster a strong sense of belonging and identity. ACCO early years services strongly value and embed this culture within their services, providing the holistically focused approach to learning and development required to meet the needs of Aboriginal and Torres Strait Islander children. ACCOs are also uniquely placed to provide high-quality, culturally safe programs consistent with Aboriginal and Torres Strait Islander cultural ways of child rearing, including practices such as storytelling, play-based learning, lifelong learning, and collective education with multiple care givers.¹⁰

⁷ Senate Select Committee on Work and Care: Interim Report. (2022). Commonwealth of Australia

⁸ Productivity Commission, 'Closing the Gap Information Repository', retrieved from: <u>https://www.pc.gov.au/closing-the-gap-data/dashboard/socioeconomic/outcome-area4</u>

⁹ SNAICC, 'Stronger ACCOs, Stronger Families'. Retrieved from: <u>https://www.snaicc.org.au/wp-</u> content/uploads/2023/05/SNAICC-Stronger-ACCOs-Stronger-Families-report-2022.pdf

¹⁰ Ashton, A., Hawting, J., Harrison, J. (2011). Growing Up Our Way: Practices matrix. SNAICC

In addition to providing high quality, culturally responsive services, ACCO early years services address access barriers for Aboriginal and Torres Strait Islander children and families in numerous ways.

- ACCOs address practical obstacles that get in the way of accessing services, such as a lack of time and access to transport, lack of confidence or motivation, reluctance to separate from children and poor physical or mental health.
- ACCOs provide the time and space to engage with people experiencing multiple and/or complex issues. By being relationships-focused and culturally responsive these services also reduce social isolation and support the development of informal support networks across the community.
- ACCOs overcome traditional program and service level barriers such as accessibility of program (fees, waitlists, locations, program format, timing), complex enrolment requirements, lack of translators and culturally unsafe content / approaches with an ongoing focus on ensuring program alignment with community need.
- ACCOs have culture embedded in all aspects of their organisations, overcoming cultural barriers to access such as lack of trust in mainstream services, experience of racism and/or discrimination and fear of judgment.

Unique needs and operating environment of ACCOs

SNAICC has recently conducted extensive consultation with ACCO ECEC and early years service providers to better understand the strengths and challenges they experience in delivering services within their communities. This consultation has reiterated that the operating environment for ACCO ECEC providers is vastly different to the environment of mainstream and for-profit childcare providers. ACCOs are currently underserved by the mainstream funding, service and regulatory environment. ACCOs require a funding and regulatory approach that is not predicated on market forces but instead values the critical contribution of these organisations to the health, development and wellbeing of Aboriginal and Torres Strait Islander children and effectively supports them to continue to deliver the services needed and wanted within their communities.

Current funding challenges ACCO ECEC providers

Currently, ACCO early years services are predominantly funded through the Australian Government's Child Care Package (CCS, ACCS, CCCFR and Connected Beginnings). Additional funding is available for ACCOs delivering these services through State, Territory and local government pre-school and kindergarten funding as well as grant programs and short-term funding across Commonwealth, State, Territory and local government sources.

Through its recent consultations, SNAICC has heard that the CCS Scheme and associated Child Care Safety Net discourage and limit engagement of Aboriginal and Torres Strait Islander children in early years education and care and contribute to funding challenges for ACCOs. A summary of these challenges is below.

• Administrative barriers: The CCS creates administrative complexities for both families and services. Families experience challenges to enrol, access subsidies, and engage with



Centrelink. ACCOs invest substantial resources to support families with administrative processes with no allocated funding to provide this support.

- Activity test barriers: Many Aboriginal and Torres Strait Islander families do not meet activity requirements to qualify for more than the minimum 36 hours (increased from 24 in July 2023) per fortnight of subsidised care.
- **Funding not matched to holistic supports required:** While ACCO early years services aim to provide outreach and holistic supports that address multiple barriers for families to access learning and development services, subsidy funding is narrowly targeted to limited educational supports.
- Stigma and fear of ACCS: Requiring a child to be "vulnerable or considered to be at risk of harm, abuse or neglect" is a stigmatising definition that makes parents fearful of contact with culturally unsafe statutory systems and discourages families from accessing the additional support available.
- **System orientation barriers:** The CCS funding model promotes a perception and reality of services being primarily or only available for working families and discourages the participation of the most vulnerable children and families.
- **Market failure:** The market-based funding model is ineffective to ensure services reach and are tailored for the most vulnerable children and families who stand to gain the most from consistent access to early years services. The model also perpetuates childcare deserts in many areas where Aboriginal and Torres Strait Islander children reside.

This broad range of challenges demonstrates that the current funding approaches are not fit for purpose and do not allow ACCOs to deliver the early years services that will enable Aboriginal and Torres Strait Islander children to thrive.

While Commonwealth, State and Territory governments have made efforts to supplement CCS funding through grants and other funding sources, this patchwork approach does not effectively support the ongoing operational viability of ACCO early years services. In fact, this mixture of funding streams across departments, agencies and jurisdictions creates additional challenges for ACCOs including:

- **Inequitable funding:** There are often large disparities in funding between ACCOs funded through state-funded integrated early years programs in some jurisdictions, and those that receive more limited funding through the CCCFR program.
- Administrative burden: Services often have to manage multiple and different reporting and acquittal processes to comply with the requirements of each funding source. These rarely have consistent formats, information requirements or reporting periods.
- **Difficulty securing funding:** Competitive grant and tender processes disadvantage ACCOs, especially smaller ACCOs, because larger non-Indigenous organisations have the advantage of economies of scale that can mean lower costs of delivery but not culturally safe or responsive services. Smaller ACCOs also have limited resources to dedicate to



grant and tender processes, that are often time intensive and require analysis of data and evidence to secure the continuation of successful existing services.

- Lack of funding certainty: Funding contracts are too short (less than 5 years), constraining ACCOs from building relationships and setting up programs based on the underpinning principles that are fundamental to their success.
- **Restrictive use of funding:** Grant and program funding is often awarded under strict programmatic guidelines, meaning that funding can only be used under pre-determined activities and timeframes. In most cases these guidelines do not cover the type of support that ACCOs know are most useful and effective within their communities. ACCOs are doing some of the most impactful work for children and families unfunded because current funding approaches are not built around and do not reflect the full cost of service delivery.

The current approach to funding childcare and ECEC is not working for Aboriginal and Torres Strait Islander children, families or communities. There is a need for a new funding model for ACCO integrated early years services to build a strong and sustainable community controlled sector that enables ACCOs to deliver the services and supports that will allow Aboriginal and Torres Strait Islander children to have the best possible start in life, wherever they live and whatever their life circumstances.

Aboriginal and Torres Strait Islander ECEC Workforce

As outlined in the ACCC second interim report, workforce is a critical component of childcare and the broader early years sector. The shortage of ECEC staff affects the quality and viability of services, and this is acutely felt by ACCO early years services.

For ACCOs, evidence suggests that Aboriginal and Torres Strait Islander families are more likely to participate in ECEC services when local Aboriginal staff are employed. Staff shortages make it challenging for ACCOs to deliver the services needed and wanted by families in their communities and constrain attempts to expand ECEC service provision especially into rural and remote Aboriginal and Torres Strait Islander communities.

Recruiting sufficient ECEC workers to meet the demand remains an ongoing challenge. Factors affecting the recruitment and retention of early childhood educators include:

- Low status of the profession,
- Low pay and lack of equity in pay and conditions between ECEC workers and teachers,
- Lack of training opportunities that consider socio economic and technology barriers for Aboriginal and Torres Strait Islander communities,
- Inadequate investment in professional development for ECEC educators and teachers,
- Lack of clear pathways for career progression, and
- No recognition or valuing of Indigenous knowledge and culture in the delivery of care and support specifically in ECEC.



The Aboriginal and Torres Strait Islander workforce experience poor pay, demanding conditions, and low professional status just as their non-Indigenous colleagues do. However, recruiting and retaining Aboriginal and Torres Strait Islander staff has been highlighted as particularly difficult in some communities for a range of reasons, including:

- Attaining the qualifications necessary (due to factors such as high cost; time required; family commitments; lack of confidence; barriers to travel to attend TAFE; lack of cultural safety in training institutions).
- The transient nature of some communities (particularly in more remote parts of Australia).
- Stressful working conditions that are exacerbated by working with children and families with complex needs and often experiencing high levels of trauma.¹¹

High rates of staff turnover, particularly Aboriginal and Torres Strait Islander staff, in the ECEC sector undermines the trust and long-term relationships that are required to build both awareness and engagement for Aboriginal and Torres Strait Islander families. Disjointed service delivery, unstable staffing, and a lack of continuity significantly hamper Aboriginal and Torres Strait Islander families' efforts in accessing ECEC services.¹²

For community controlled services seeking Indigenous staff to provide culturally safe education to Aboriginal and Torres Strait Islander children, these factors are compounded by a range of issues including, but not limited to:

- Institutional and systemic barriers in education such as university entrance requirements for English, maths, and numeracy without options for transition programs,
- Uneven, inadequate, or culturally unsafe support from further and higher education institutions,
- Lack of familiarity with technologies used for blended or online learning, and
- Lack of role-models for tertiary study in home communities.

ECEC accreditation and qualification processes are heavily based in western (dominant culture) pedagogy and priorities. ECEC accreditation and qualification authorities need to develop community led curricula that value Aboriginal and Torres Strait Islander knowledge and pedagogies.

In addition, professional development, and training opportunities for Aboriginal and Torres Strait Islander ECEC workforce needs to be available and accessible. Access and availability include remote-area delivery that is supported by in person training providers to overcome barriers such as geographical isolation, digital access and literacy and complex enrolment processes. It is crucial to develop, in partnership with Aboriginal and Torres Strait Islander educators, education and training models that support ACCO ECEC providers to train local Aboriginal people on Country.

¹¹ SNAICC (2023) *Thryve Workforce Strategy* (future publication), Melbourne, Australia.

¹² McMullen, M. B. (2017). Continuity of Care with Infants and Toddlers. Exchange.



Backbone supports for ACCO ECEC providers

In addition to funding reform and strengthening the Aboriginal and Torres Strait Islander workforce, investing in ongoing, sustainable, Aboriginal and Torres Strait Islander led backbone support services facilitates the operational viability of ACCO early years services.

ACCO early years services operate within a mainstream system that rarely recognises or accounts for the complexity of the communities they operate within, the importance of embedding culture in their services and the cultural governance and accountability that underpins these organisations. Service leaders are often forced to 'walk in both worlds' to ensure their operational viability – being accountable to their communities while taking on the business, administration and regulatory requirements set by a mainstream system that does not accommodate their cultural context. ACCOs also operate on a smaller scale within the local context, which provides benefits for local cultural leadership and tailoring of service delivery, but does not provide the resources and efficiencies that come with larger economies of scale.

ACCO early years services often require additional support to ensure their operational viability and opportunities for expansion and growth. Backbone (or intermediary) supports for ACCOs in the early years sectors support service leaders with functions such as:

- recruitment and retention in a sector with significant shortages,
- · development of local workforce sustainability plans
- regulatory compliance readiness
- transition through accreditation and continuous improvement
- policy and program development
- data collection processes and building capacity around data sovereignty
- fundraising support, and
- building on local strengths and knowledge of early years ACCOs.

An example of this in practice in SNAICC's Early Years Support (formerly THRYRVE). SNAICC Early Years Support provides direct locally contextualised business, regulatory compliance, and workforce support to the ACCO ECEC sector, including designing and developing resources that contribute to regulatory compliance under the national quality framework and cross jurisdictional knowledge sharing to enable further efficiencies to be realised. It is comprised of bespoke, co-designed state-based models, led by local Aboriginal staff and provides wraparound mentoring, training, and support for ACCO services, brokers integrated service partnerships, elevates the collective voice of ACCOs and communities at regional, state and national levels.

Any reform of childcare or the broader ECEC system must recognise the critical role of ACCOs in delivering these services to Aboriginal and Torres Strait Islander children and families and invest in both these services and in Aboriginal and Torres Strait Islander led backbone supports to ensure their ongoing operational viability and expansion.



Conclusion

SNAICC commends the ACCC on its second interim report that highlights the challenges of the existing child care funding and regulatory environment, including the impact of these on Aboriginal and Torres Strait Islander children, families and communities.

SNAICC reiterates the importance of the community controlled sector as a means of selfdetermination and the role of ACCOs in delivering high quality, culturally responsive early years services that allow Aboriginal and Torres Strait Islander children to flourish. ACCOs do not, and should not, operate in the same way as mainstream service providers, however, the current service system does not adequately value or accommodate these critical differences. To enable ACCOs to deliver the services that are wanted and needed within their communities, the funding and regulatory environment must:

- provide ACCOs with adequate, ongoing and sustainable funding that covers the full cost of delivering holistic ECEC services within their communities; and
- provide ongoing funding to Aboriginal and Torres Strait Islander led backbone services for the ACCO early years sector.

Governments must also work in partnership with the community controlled sector to ensure that the ECEC funding and regulatory environment meets the needs of ACCOs and builds a strong and sustainable Aboriginal and Torres Strait Islander early years workforce.

While growth of the ACCO sector is critical to improving outcomes, SNAICC also recognises that many Aboriginal and Torres Strait Islander children do and will access services through mainstream ECEC providers. In line with Priority Reform 3 of the National Agreement, there must be significant reform and transformation of mainstream systems and services to ensure they are culturally safe and meet the needs of Aboriginal and Torres Strait Islander children and families. Reforms such as removal of the Activity Test, reduction of administrative complexity and barriers for families and the development of supply side funding options are critical to ensuring the broader ECEC system is accessible and effective in addressing the needs of Aboriginal and Torres Strait Islander families, and particularly families experiencing higher levels of vulnerability.



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