

Friday 16 June 2017

---

# ACA Position Paper: Community Child Care Fund





# Contents

- 03 Introduction
- 04 Bridging the equity gap
- 06 Case Studies
- 09 Key Recommendation:  
Equal access



# Introduction

As the national peak body in the Australian Early Childhood Education and Care (ECEC) sector, the Australian Childcare Alliance (ACA) represents more than 2,500 members and approximately 360,000 families throughout Australia. We work on behalf of long day care service owners and operators, predominantly private, to ensure families have an opportunity to access affordable, quality ECEC throughout Australia.

In the long lead up to the Jobs for Families (JfF) package being passed through the Senate, the Australian Childcare Alliance (ACA) engaged heavily with government on behalf of our members and the Early Childhood Education & Care (ECEC) sector at large.

During this crucial period of negotiation on the JfF package, our emphasis was on ensuring that no child would be worse off and that families could still access quality, affordable care under the amended reforms.

This included disadvantaged and vulnerable families, regardless of the type of ECEC services they chose to use.

In this context, ACA and other key stakeholders in the sector were led to believe that the Community Child Care Fund (CCCF) which is part of the Australian Government's Child Care Safety Net, would be accessible to all types of ECEC service providers.

However the 2017-2018 budget announcement in May 2017 revealed that this funding would only be made available to the not-for-profit sector. This was the first time that the government had made this policy known to the ECEC sector.

The purpose of this position paper is to set out the rationale for the Department of Education and Training to urgently amend this policy, to ensure that all ECEC services have access to the Community Child Care Fund.





# Bridging the equity gap

## Background

The Community Child Care Fund (CCCF) was announced as part of the Jobs for Families Child Care Package, which was passed through the Senate in March 2017.

The CCCF is part of the Child Care Safety Net, which aims to help give the most vulnerable children a strong start in life, while supporting parents into work.

The CCCF will effectively replace the Community Support Program (CSP), which currently assists child care providers to establish or maintain viable services in parts of the country where they might not otherwise be viable or able to meet the unique requirements of the community, such as in disadvantaged or regional and remote areas.

The government has committed \$61.8 million per annum under the CCCF to support Budget Based Funded (BBF) services to transition into the new child care arrangements, as well as to support services to meet the costs of expanding to increase Indigenous children's participation in early education and care.

The expected outcomes of the CCCF are to:

- improve early childhood development outcomes for vulnerable and disadvantaged children
- increase workforce participation by vulnerable and disadvantaged families.

The CCCF includes three key grant opportunities:

- Open competitive (for approved child care services)
- Restricted non-competitive (for specified services)
- Connected Beginnings

The first CCCF funding round is expected to open early in the 2017-18 financial year, with funding available to successful applicants from July 2018.

## What is the problem?

During the May Federal Budget announcement, the government stated that the CCCF will be restricted to not-for-profit organisations only, in contrast to the existing CSP funding.

**ACA is deeply concerned that this new policy shift will leave some children from disadvantaged and vulnerable backgrounds without access to ECEC services, thus shutting the door on those children most in need of quality early learning and further widening the equity gap Australia-wide.**

Following its release of the CCCF draft program guidelines, the government invited ECEC services and stakeholders to provide their comments by Tuesday 13 June 2017.

ACA encouraged its members who currently access CSP funding to provide their feedback via the online consultation process.

At the same time, ACA ran a member survey to find out to what extent our nation-wide members were accessing CSP funding and would be affected by this issue upon commencement of the new Child Care Subsidy system.

Whilst the numbers of ACA member services currently accessing the CSP funding in each state were not overwhelming, those that do use the funding reported that they would be substantially affected by a discontinuation of this financial support.

Some of these service providers, whilst operating a 'for profit' business model, are barely breaking even and rely on the existing CSP funding. In many instances services are also cross subsidising other unprofitable services, in an altruistic gesture for the benefit of the local community.

More importantly, local communities, disadvantaged and vulnerable families and the children that these service providers are currently able to accommodate would be greatly affected by this issue.

Making these services unviable by removing this funding will not only affect the business and employees, but also adversely impact the families relying on the services, many of which are in regional and remote areas. This includes those families that rely on the service to allow them to work.

This policy shift will deny access to high quality early childhood education for the children most in need of early learning support.

In the very short notice that ACA has had since the news of this policy shift, we have developed several case studies of services located in South Australia, Western Australia and Queensland.

The following case studies provide powerful examples of the ramifications at the grass roots level, of the government decision to limit the CCCF to not-for-profit services only.

# Case Studies

## **Kapunda Early Learning Centre – Kapunda, SOUTH AUSTRALIA**

Kapunda Early Learning Centre is the only early childhood service available to this community. The town itself has high rates of unemployment and social disadvantage. Once a mining town, there are now approximately 3,000 residents in this small village near the Barossa Valley.

Whilst licensed to accommodate 55 children, on average this centre only has around 22 children in its care each day. The centre was rated as 'exceeding National Quality Standards in all areas'.

The families that use the service would be deemed as disadvantaged and vulnerable by anyone's standards. Ten children, across six families, are in their grandparents care. Three families have child protection issues, and one child has significant additional needs. Another child with global developmental delay is under the care of his great aunt. Some of the children come from Aboriginal families, two of which have had a parent die in the past year. All of these children and their families benefit greatly from being able to attend Kapunda Early Learning Centre; all of them will lose access to this care if the CCCF is not made available to this centre.

Over the last 18 months, two not-for-profit services have closed in nearby Eundunda (30kms away) and Roseworthy (25kms away). Should Kapunda Early Learning Centre close down, families will need to travel around 30kms to another service in another town, with no public transport facilities for families to get there.

Whilst being categorized as a 'for profit' service, Kapunda Early Learning Centre runs at a loss. The owners are currently able to remain in operation as a result of the other services they run across South Australia. They are happy to do that as they have been a part of the Kapunda community for many years, and have a strong connection to the families in the town.

If sustainability funding is withdrawn, the service will close. Employment will end for 10 local educators, and the 60 or so families whose children attend this centre will have to consider their working options.

The children who have been receiving high quality early childhood education – proven to be one of the most effective ways to end the cycle of intergenerational unemployment and disadvantage – will not have this option to address the inequity they experience.

**Serpentine Child Care – South West, WESTERN AUSTRALIA**

Serpentine Child Care Centre is a 37 place service with 30 OSH places. It current operates at under 50% occupancy. It is the only service in the area, with the next closest early childhood service around 20 kms away. There is no public transport between these small towns.

The centre is a community hub for the 60 or so families whose children attend each week. These families are disadvantaged and vulnerable, with most receiving maximum government subsidies. There are six families who have foster children, with 20 foster children attending across the week.

The business is barely breaking even, with no money available for additional capital purchases, such as a bus that would enable them to better service the community by arranging drop off and pick up from home and / or school.

The service currently receives around \$40,000 per year in CSP funding. Taking this funding away would make the business immediately unviable. Closing the service would make the 10 educators unemployed, and render working families unable to find care for their children.

**Guppy's Early Learning Centre – Blackbutt, QUEENSLAND**

Guppy's Early Learning Centre is located in the Blackbutt township, a two hour drive west of Brisbane. Whilst licensed to accommodate 75 children, there are on average around 20-25 children who attend each day. This centre runs at a loss and is entirely dependent on the community funding programs provided by government.

Similar to the Kapunda Early Learning Centre cross subsidy situation, Guppy's owners are currently able to remain in operation as a result of the other services they run across Queensland. They are happy to do this to support the Blackbutt / South Burnett community, and have a strong connection to the families in the town.

Over the last 12 months, two services, both not-for-profit, have closed in Blackbutt, Yarraman (25kms away) and Nanango (40kms away), whilst another not-for-profit Long Day Care service announced their intention to close their service in Nanango, meaning that the closest long day care centre is >60km away at Kingaroy.

Guppy's is the only early childhood service available to this community. The town and surrounding communities have high rates of unemployment and social disadvantage, with the level of unemployment having increased dramatically over the last few years. The town's population is approximately 2,000 residents.

These families across the South Burnett Region, which includes Yarraman, Nanango and Kingaroy, are disadvantaged and vulnerable with many living with their grandparents, having child protection issues and other significant additional needs.

Guppy's Early Learning Centre also provides a public transport service, which is heavily utilised by most families.

A removal of government funding would make the business immediately unviable, leaving the 10 staff unemployed and these families without an early learning centre. Around 60 families whose children attend this service will have to consider their working options, as these families will need to travel around 65kms to access an early learning facility, with no public transport facilities for families to get there.

Most importantly their children who have been receiving high quality early childhood education, will be denied early learning opportunities that **all our young Australians** have a right to.





# Key Recommendation: Equal access

ACA has stories like this from across Australia, of small business owners, who are working closely with their local community – barely staying viable even with the current subsidies.

Removing those subsidies will force these services to close, having a disastrous impact on their communities, and the children who will subsequently not have the option of participating in early childhood education.

Not for profit organisations have not stepped into the sector to provide services for these families – it has taken small business operators to realise the void and put their money on the line to provide for their communities.

ACA is deeply concerned that the government's policy shift to exclude the private sector from eligible access to the CCCF will further disadvantage those communities because of the business model of the centres.

Studies in Australia and internationally demonstrate the significant benefits children experience from attending quality ECEC services, which in turn flows on to their family and the wider community. These benefits include better intellectual development and higher levels of concentration, sociability and independence.

Children who enjoy quality ECEC are likely to be well socialised, confident, inquisitive about the world, accepting of diversity, resilient to manage challenges and also to be life-long learners.

There has been no sector consultation with regards to this change in the funding parameters. To date, the only opportunity the sector has had to comment on this policy shift has been the recent online consultation, which closed on Tuesday 13<sup>th</sup> June.

Furthermore this consultation invited comment on the effectiveness of the presentation of the information provided, rather than the actual content and policy itself.

ACA has encouraged all of our members currently accessing the CSP or planning on doing so in future, to respond to this online consultation process.

However we felt that the limited context of the consultation warranted an additional submission by our association.

We urge the government immediately reconsider this policy shift, which limits the CCCF funding to 'not for profit' services and effectively shuts out the private sector.

In order for the Community Child Care Fund to be equitable **for all families** - not just those enrolled with non-for-profit centres – **all service types need to be given funding access.**

ACA looks forward to working with the Department of Education and Training to bring about the best possible outcomes for these children.



Australian Childcare Alliance

Email: [president@australianchildcarealliance.org.au](mailto:president@australianchildcarealliance.org.au)

Website: [www.childcarealliance.org.au](http://www.childcarealliance.org.au)

Phone: 0411 587 170

 [www.facebook.com/childcarealliance](https://www.facebook.com/childcarealliance)

 [@ChildcareAus](https://twitter.com/ChildcareAus)

