

Northern Area Community and Youth Services Inc.  
Childcare and Early Childhood Learning  
Productivity Commission

**Introduction**

Northern Area Community and Youth Services Inc. (NACYS) is a Not for Profit, Community based and managed organisation that incorporates a long day childcare service based in the City of Playford in the Northern suburbs of Adelaide.

The City of Playford has the unenviable position of being one of Australia's lowest socio-economic regions.

NACYS raison d'etre is to service the most 'at risk' and vulnerable within our community.

Many processes of the Government in payment of the associated childcare benefits and rebates are based on the premise that parents/caregivers are able/choose to make sound decisions in the best interests of their children, family and financial situation. The reality for organisations such as NACYS is that parents/caregiver often cannot and do not. Therefore NACYS focus is on the best possible outcome for the child.

<b>Statistics of Need January 2014</b>	
Parents Diagnosed Mental Health issues	38%
Parents with disabilities	15%
Children deemed 'at risk'	23%
Children with Disabilities	15%
Children with identified behaviour issues	23%

Balancing a financially viable childcare centre whilst servicing some of the most disadvantaged individuals in Australia, in an environment of increasing compliance, has a raft of challenges, which this submission aims to address.

## **The Aim of NACYS Childcare Centre.**

*Five hundred years ago, Erasmus, a Dutch humanist and theologian, said, 'One cannot emphasise too strongly the importance of those first years for the course that a child will follow throughout his entire life'.*

*Investing in the Early Years: Closing the gap between what we know and what we do  
Prepared by J. Fraser Mustard; Adelaide Thinker in Residence; April 2008.*

### ***Immediate Needs***

For many of our children, NACYS childcare centre is the sole provider of their basic day to day needs including food, clothing, health care and hygiene.

NACYS operates a full kitchen that provides breakfast, lunch, morning and afternoon tea. This provides a child with their entire nutritional needs for a day. Many of our children go home to little or no food provided.

To be able to maintain this vital service, NACYS must meet National Food Handling Safety Standards and until recently 'Start Right, Eat Right' requirements - a measurement to ensure nutritional balance, that is still maintained.

### ***Medical Support***

Some of NACYS children are not sent home when they are sick because their parents/caregivers do not answer their phones once the child is in care, parents/caregivers are unwilling to collect their children from care or concerns by staff that the parent will not/can not monitor the health of their children e.g. temperature.

To ensure the child's health needs are met, they often remain at the service in a monitored area.

### ***Development Support***

Many of NACYS children are at risk of not developing within normal range due to abuse (or witnessing abuse) and neglect. This places a child at risk of being 'behind the eight ball' when entering school, impacting on their academic achievement through their school years and in turn perpetuation the cycle of inter-generational poverty.

Parents, due to their own mental, emotional or intellectual disabilities do not know how to assist their child with their developmental needs. NACYS fulfils this role.

***Early Childhood services have a unique opportunity to break the intergenerational cycle of poverty and disadvantage.***

## **Challenges faced by NACYS in delivering a quality service whilst maintaining a financially viable service.**

### ***Childcare Benefit***

The Childcare Benefit covers a maximum of 50 hours per week care. Childcare centres are expected to be open a minimum of 11.5 hours per day.

Placing a child that is in care 11.5 hours x 5 days is deemed child abuse. Our children are in a safe, caring environment compared to what many go home to.

Many parents/caregivers will not collect their child until the 6pm closure.

### ***Childcare Rebate***

Annually parents make a decision whether to have the rebate sent to themselves or their childcare centre. Once this decision is made, it cannot be changed for one year. Parents that have chosen to have the rebate paid to themselves can suddenly face financially difficult situations and divert the rebate away from their childcare fees.

### ***Inclusion Support Subsidy (ISS)***

The hours provided for by the ISS is insufficient to meet high special needs children.

For one child, 5 hours a day is granted irrelevant as to how many more hours that child is in care for.

For two children in the same room, 8 hours ISS is allocated. This is the maximum number of hours a day ISS can be provided for. NACYS currently has 7 children with identified special needs in one room.

Allowable ISS hours are pooled together which can create situations where one child uses all allowable absences leaving no allowable absences for another child from a different family.

The contracting out of the ISS service to KU Children's Services has created a convoluted system that has proven difficult to navigate. In November 2013, due to an inability for the CCMS, KU Children's Services and SPIKE, our billing system provider, to connect and communicate, prevented owed funding for three months for three families, equating to approx. \$8000. This created a cash flow problem that NACYS was only barely able to survive through. NACYS has the financial ability to provide a part time administration officer only. However sorting this crisis absorbed over 160 hours of the service managers time (mostly in their own time).

### ***Parent Debts***

NACYS has experienced a cohort of parents/caregivers who 'childcare centre hop'. Once an outstanding parent debt has occurred, the parents remove the child from care and place the child into another childcare centre. Systems need to be in place that ensure a parent is debt free from one service before being allowed to register with Centrelink for another service.

### ***Special Childcare Benefit (Special CCB)***

Children deemed 'at risk' by Families SA are referred to, or placed within NACYS Childcare Centre. Special CCB is granted by the service for the first 13 weeks as deemed appropriate by NACYS. Due to the supports and care that are provided by our organisation, the child is no longer deemed at risk by Families SA. At the end of the first 13 weeks of Special CCB the parent cannot//will not pay the parent contribution, however obtaining the required support documentation to obtain further Special CCB is extremely difficult as the child is no longer deemed 'at risk' because they are in NACYS care. The parent then ceases childcare and the child again is placed in harm's way and all of the work done by the services is mitigated.

This creates a vicious circle and is incredibly detrimental to the well being and development of the child.

### ***Sharing of Information***

Based on the premise that parents/caregivers should take responsibility for matters pertaining to their child, NACYS staff are unable to obtain information from the CCMS Help Desk. Many of our parents/caregivers have mental health issues, comprehension issues and communication issues and are expectant that we will assist them in weaving their way through a complex process.

NACYS has recently experienced an issue with the Child Care Benefit for a family of four children who are in an informal arrangement with their grandparents. The grandparents have significant intellectual disability and physical health issues, therefore their communication with NACYS and Centrelink is very disjointed. However Centrelink was unable to clarify matters with NACYS as this would be a breach of confidentiality. This equated to nearly \$6000 outstanding for several months.

### ***Changes to Staffing Ratios***

At the beginning of 2016, another staff member will be required to meet licencing. NACYS is barely able to cover the cost of the 2012 staff member increase. At the current award rates this is an additional \$37,000 a year that must be covered by parent fees. A cost that NACYS target client group will be unable to meet.

### ***Summary***

In NACYS context, of servicing the most 'at risk' members of our community, with the layers of multiple issues that are not faced by most other child care centres, the cost of running a quality childcare centre is currently just breaking even. The additional costs of compliance, both in terms of staff increases and reporting, that are foreseen in the coming years will make the service financially unviable.

There is an argument for the examination of different models of funding for childcare centres that work in areas of greatest economic and social need to ensure that the most 'at risk' and vulnerable children have an opportunity to break the inter-generational cycle of poverty. This focuses the service on child development and not the needs of the parent/caregiver.