



Submission to the Australian Productivity Commission

**in relation to the draft report:
Early Childhood Education and Care (ECEC) Services**

Office of the Chief Executive

Novita Children's Services

PO Box 2438

Regency Park SA 5942

T: +61 8 8243 8202

F: +61 8 8243 8218

E: enquiries@novita.org.au

W: www.novita.org.au

Further Information

Further information regarding this documentation can be obtained from the Office of the Chief Executive, Novita Children's Services, 171 Days Road, Regency Park, South Australia, 5010

This work is copyright. Apart from any use permitted under the Copyright Act 1968 no part may be reproduced without the permission of Novita Children's Services.

The Productivity Commission's draft recommendations documented in the draft report released on 22 July 2014, include:

- a 'top-up' subsidy for children with additional needs designed to meet the extra reasonable costs of service. Service Providers, the report says, should receive assistance to provide Early Childhood Education and Care (ECEC) for additional needs children;
- an 'Inclusion Support Program' that builds on the existing Inclusion and Professional Support Program, making one-off grants to ECEC providers to assist them in offering services to additional needs children. This could include modifications to facilities and equipment, and training for staff; and
- the proposed ECEC assistance should not replace support provided under the National Disability Insurance Scheme (NDIS).

To assist the Productivity Commission in finalising its report, Novita Children's Services (Novita) provides the following information and associated commentary around some key themes, which pertain specifically to the optimisation of inclusion of children with additional needs, in particular those with disabilities and high/complex support needs. These themes are listed below:

- An outline of the specific types of services (not the responsibility of the National Disability Insurance Scheme [NDIS]) that should be provided for children with a disability attending ECEC;
- Suggested prioritisation of available funding to support service provision (not the responsibility of the NDIS);
- The range of needs and the costs of meeting those needs for children with additional needs of different ages, and different disability types and impacts;
- A recommended method of allocation of a fixed funding pool to support:
 - access to ECEC by children with additional needs; and
 - the delivery of the greatest community benefit.
- The nature of the barriers faced by families with children with additional needs in accessing appropriate ECEC services, and the prevalence of children with additional needs who have difficulty accessing and participating fully in ECEC; and
- The additional costs of including children with additional needs.

An outline of the specific types of services (not the responsibility of the National Disability Insurance Scheme [NDIS]) that should be provided for children with a disability attending ECEC

The types of services and supports for children with a disability attending ECEC services, and funded by the proposed ECEC assistance, should include any supports not 'in-scope' for the NDIS but which foster:

- inclusion via: physical environment assessment, modification prescription and provision;
- attitudinal growth of the positive value that children with special needs bring to ECEC services and the community as a whole;
- professional training and development of ECEC staff in practical, 'on-the-ground' techniques and strategies to enable children with additional needs to develop, learn, extend and demonstrate their skills to the best of their abilities;

- curriculum development and/or child development and learning planning that embraces all life domains appropriate for all developmental levels and ranges of special needs, including both ability and challenge identification for individual children with additional needs, and also their assimilation within the broader ECEC service child population;
- reduction in vulnerability for developmental risk, including children with 'mild' delays or learning challenges who are not deemed as eligible for NDIS or not deemed as eligible for funded supports by the NDIS;
- the minimisation of work health and safety risks of ECEC staff elevated as a result of the additional challenges of providing care and education to children with special needs; eg manual handling, positioning of themselves and the child; and
- optimisation of the immediate and long term developmental and health needs of each child with additional needs.

Suggested prioritisation of available funding to support service provision (not the responsibility of the NDIS)

Funding priorities should be focussed on:

- creating an holistic education/care/child development/special needs support package in synergy and in parallel to the supports funded via the NDIS, for each individual child;
- ensuring children with 'milder' learning or developmental challenges are identified early and responded to with targeted specialised early intervention. This category of children, who are often most responsive to early intervention, would maximise outcomes from early investment strategies. A skewed focus 'only' on children with 'complex' or 'severe' or 'the most disadvantaged' reduces the potential societal savings from responding early to this cohort of developmentally vulnerable children; and
- enabling ECEC workers/educators to:
 - provide quality inclusive environments;
 - identify children who need specialist assessment and early intervention; and
 - provide financial means to purchase specialist disability/health professional/inclusion support facilitator assistance.

The range of needs and the costs of meeting the needs for children with additional needs of different ages, and different disability types and impacts

The needs of children with a disability span supports enabling:

- them to reach their best developmental milestones;
- them to participate in one of the 'natural settings of childhood', i.e. ECEC services, without discrimination or limitation, and in an environment that values and supports them and their unique traits;
- parents to support their child to feel cared for, nurtured, safe and encouraged to develop skills to the best of the child's abilities and capabilities; and
- parents to navigate through the various phases of early childhood, including through pre-school, kindergarten and transition to school.

‘Support’ encompasses:

- assistance to enable access to the ECEC environment as a result of specialist prescribed ‘macro’ environment modifications (eg ramps);
- assistance provided by customised equipment, aids and assistive technology to enable a child to be optimally:
 - positioned to physically participate in ECEC life;
 - able to demonstrate their abilities; and
 - extended in their ability development via ‘just-right challenges’ appropriate for their developmental level, and emerging strengths and weaknesses;
- ‘human’ support via:
 - ‘hands-on’ physical assistance, supervision, socialisation and emotional support provided by carers and workers;
 - fostering of the ‘skills of the classroom’ such as attending to teachers, early hand-writing and literacy development; and
 - optimal behaviour development facilitation;
- the giving of ‘additional time’ and ‘additional repetition opportunities’ to enable a child with a disability to demonstrate the full scope of their abilities;
- identification of atypical learning styles and the selection of atypical, individualised caring and teaching strategies effective for the individual child and their associated unique needs;
- support in personal care including additional toilet timing, and toileting assistance including associated manual handling strategies, in an environment of multiple children with emerging independence in personal care; and
- support in overcoming barriers (societal and those implicit to their disability) to the inclusion in socialisation development activities.

Age of the child, their developmental stage, transition phase during ECEC, including Outside School Hours Care (OSHC), all create individual nuances in the support needs of a child with a disability. The costs to an ECEC service provider in optimally providing care and education to a child with special needs therefore varies. For children with physical disabilities, the costs of equipment, assistive technology and environmental assessment, modification prescription and provision can be significant; and evolve over time as the child grows and their abilities develop. Costs include:

- the specialist therapist time in environment assessment and prescription (eg at 2014 NDIS rate of \$168.26 per hour (adjusted annually for indexation), plus additional remuneration for time spent in travelling to and from the ECEC service); and
- procurement costs of the respective environmental modification or equipment item. This can be in excess of tens of thousands of dollars.

A child with an intellectual disability may need less physical support, but more one-to-one support to enable optimal learning, repetition, time for the child to show their abilities, and consistency in use of care and education strategies. The cost of ‘human’ support in this scenario can also be significant, but of a different nature. Depending on the severity of the child’s intellectual disability, safety and support requirements, the ‘human support’ element may include a combination of specialist health/disability professional expertise and additional exposure to one-to-one carer/educator time; or additional time allocated for one-to-one support provided by a carer/educator trained in the specific support needs of the individual child concerned.

A child with a 'mild' delay or developmental challenge, while not needing costly physical or environmental modification, should be responsive to intensive, frequent, precise specialist interventions ideally provided within the child's naturalistic setting of the ECEC. These intensive periods of allied health therapy attract a significant financial cost. Costs associated with these time-limited intensive allied health interventions need to reference, at minimum, NDIS allied health professional hourly rates and hourly rates for therapist travel. Further costs include the additional ECEC worker time required:

- to provide additional one-to-one support for the child; and
- for their training in the child specific skill development and support strategies.

Costs in these scenarios are:

- capital, consumable and workforce in orientation;
- individual child and family specific, and ECEC service as a whole in orientation;
- costs foregone by the avoidance of future costs through early intervention; and
- workforce investment inclusive of additional staff salaries or purchase of specialist services for early intervention and/or staff training.

NOTE: Purchase of additional staff or specialist service providers who could secure employment or work at higher fee rates, drives a competitive force to cost structures. Thus NDIS hourly rates should be referenced as *minimum* professional fees or hourly rates only.

A recommended method of allocation of a fixed funding pool to support:

- **access to ECEC by children with additional needs; and**
- **the delivery of the greatest community benefit.**

Recommended ways of allocating of funds stress the need for a system which is supportive of the dual elements of:

- supporting each ECEC to provide quality inclusive environments for children with a disability collectively; and
- individualisation of funding according to a child with a disability's own support needs to enable full skill development, access to the ECEC environment and curriculum, and full participation in ECEC experiences and activities.

The suggested mechanisms in the draft Productivity Commission report are supported, which include the use of a tri-modal approach of:

- Special Early Care and Learning Subsidy payments that are individual-child based, based on the reasonable costs of delivery of ECEC to the child plus an additional subsidy payment to support the purchase of additional supports (capital, staff and external specialists);
- Inclusion Support funding to enable individual ECEC to purchase community capacity building and training strategies from specialist inclusion support facilitators/providers; and
- Disadvantaged Communities program funding to enable viability assistance to ECEC in regional, rural and remote areas with fluctuating child populations.

A further recommendation is suggested in which interface mechanisms with NDIS planners and local area coordinators are implemented, to ensure that an individual child's plan of supports becomes a 'whole of child's life plan for the next 12 months' that documents and drives the provision of a holistic, synergistic approach across the disability and ECEC sectors, in the pursuit of enabling a child to achieve their best potential. This may be a mechanism to operationally bring to effect non-duplication of support provision and funding, concurrent with a child and parent-goal oriented approach to supporting the best developmental, functional and educational outcomes for the child.

For children who are not eligible for NDIS funded supports, a similar mechanism of coordinated planning is recommended, bringing in all elements of a 'team around the child' inclusive of ECEC workers, the child's parents, health professionals, learning support/developmental educator professionals, is recommended. This would require resourcing in order to compile a holistic 'child development, care and education plan' for each child with special needs.

The nature of the barriers faced by families with children with additional needs in accessing appropriate ECEC services and the prevalence of children with additional needs who have difficulty accessing and participating fully in ECEC

Barriers observed by Novita and expressed (to Novita) via commentary from parents of Novita clients, confirm the barriers described in the draft Productivity Commission report, including:

- attitudinal barriers of exclusion, discrimination and undervaluing of the unique value that every child has in society and to an ECEC service irrespective of the nature of their abilities;
- financial disincentives to one or both parents returning to the work force as a result of tax increases, loss of welfare payments, practical costs of transport to and from ECEC services relative to home and work;
- out-of-pocket expenses of ECEC fees to the parents being beyond their discretionary income levels;
- lack of parental confidence in the skills, abilities and attitudes in ECEC staff in being able to provide the type of support best suited to their child and to enable them to safely develop to the best of their potential;
- ECEC services being insufficiently resourced to enable optimal professional development of staff to facilitate the creation of quality inclusive environments;
- lack of ECEC worker/educator knowledge to recognise a child's development and performance being at risk in relation to developmental vulnerabilities or challenges;
- lack of ECEC worker/educator knowledge as to the practical referral mechanisms to enable health/disability specialist assessment and intervention in a timely way to maximise opportunities for best outcomes;
- lack of ability of ECEC services to purchase health/disability specialist assessment/intervention;
- lack of ability of ECEC services to purchase specialist inclusion support facilitator assistance; and

- lack of ECEC worker/educator knowledge as to the merits of a 'team around the child' approach in achieving coordinated, non-duplicated care and support provision; best educational and functional outcomes for the child; and optimisation of teaching and caring strategies.

In 2012, Novita with the University of South Australia conducted a research study investigating barriers to workforce participation of parents of children with a disability. Please see attached for this study's published findings as found in the international peer-reviewed journal: *Community, Work and Family*.

While having a focus on the barriers to work force participation, the barriers for children with a disability and scale of barriers to accessing ECEC are clearly identified in the attached published paper with a sequelae being lower workforce participation of parents/carers of children with a disability.

The additional costs of including children with additional needs

Costs include:

- capital, consumable and workforce in orientation;
- individual child and family specific, and ECEC service as a whole in orientation;
- amplified future costs if early investment/intervention strategies are *not* implemented including higher crime, social isolation, increased dependence on the welfare system and increased lifetime dependence of funding for disability supports through the non-achievement of best developmental milestones; and
- workforce investment including additional staff time or purchase of specialist services in early intervention and/or staff training.

Coordinated education and care planning to optimise inclusion of the individual child and to promote the achievement of their best developmental milestones in a safe environment, is an important additional cost of including a child with additional needs in each ECEC centre. Such planning should be based on a broad 'team around the child' approach that encompasses the full support needs of the child, and avenues for the parent and ECEC to realise funding supports from a range of sectors including:

- national disability sector (NDIS);
- health sector (state-based government funded, commonwealth-based government funded i.e. Medicare, private health insurance sector if parents have private health insurance);
- education sector via the National Equity Grants: Ministerial Advisory Committee for Students with Disabilities;

- Productivity Commission draft report mechanisms of funding support for children with additional needs in ECEC services:
 - Special Early Learning Care and Learning Subsidy (SELCS);
 - Disadvantaged Communities program funding; and
 - Inclusion Support program funding.

NOTE: ECEC funding support must recognize the fee-for-service nature of the disability sector. As a result, the quantum of money distributed to ECEC services via the mechanisms of the SELCS, Inclusion support and Disadvantaged Communities Program, must support payment of specialist health/disability professionals at rates at least commensurate with published NDIS rates.

Environmental modification or specialised/customised equipment provision costs need to be inclusive of specialist assessor and prescriber time at NDIS allied health professional rates for the total time for assessment, prescription and staff training as well as the costs of procuring the prescribed equipment or assistive technology item.

Given the number of variables included, a 'one-size-fits-all' approach is not an appropriate funding allocation model, and must be tailored to address the individual child's needs.

Glenn Rappensberg
CHIEF EXECUTIVE
NOVITA CHILDREN'S SERVICES