



Response to the Childcare and Early Childhood Learning Draft Report

NDS is pleased to provide the following comments to the Australian Government Productivity Commission (the Commission) on its proposals to improve the provision of Early Childhood Education and Care (ECEC) services.

The focus on children with disability is very welcome

NDS congratulates the Commission on its detailed proposals to address long-standing issues for children with disability. It is timely and necessary to make these improvements. As indicated by the Commission, while most government assistance for ECEC services has increased with demand, the amount of block funding that assisted children with additional needs has been stagnant. If the resulting gap is not addressed, it will not only threaten the wellbeing of many families, it will also put extra pressure on other government services, including education, health and the National Disability Insurance Scheme (NDIS).

The benefits of improving access to ECEC services for children with disability are not just about equality, although that is important. There is good evidence that these services have a particular benefit for the development of children with disability in preparation for school so that they can reach their full potential. They help with early identification of children with learning and developmental delay, and with early intervention. This not only improves outcomes but can reduce support requirements over the long-term. They also make it possible for parents to work or obtain some respite.

For some young children with disability, the type of support required is not intuitive and not easily provided by untrained carers. The benefits from ensuring access to appropriately skilled early childhood workers several years before school can be very significant and lifelong. Often the most effective approach is for specialist early childhood intervention services to work with ECEC staff and families rather than only with the child. They can strengthen staff knowledge and skills as well help to analyse the environment to identify useful adaptations and learning opportunities that will enable full engagement.

NDS trusts that the Commission will retain the evidence-based focus on children with disability. Too often, voices speaking for this vulnerable group of Australians are not heeded.

In this submission NDS has responded to the information requests that pertain to ECEC services for children with disability.

Children with disability should be a priority in this reform

Information Request 12.7: The best way to allocate funding to support the ECEC access of children with additional needs and deliver the greatest community benefit.

Individual subsidies should provide equality of choice and help build the market

NDS believes the overall approach suggested by the Commission will help parents to choose the ECEC services that best meet their needs. The proposed flexibility of individualised subsidies should also promote growth in appropriate services for children with disability.

However, to ensure equal access, the Special Early Care and Learning Subsidy should be funded on a demand basis and not be capped. This proposed subsidy must also meet the full cost of additional support for a child with disability (which the Commission has suggested is 'ideal'). This is the only way to ensure access on the same basis as other children, which is true equality as envisaged by the United Nations Disability Rights Convention. NDS urges the Commission to recommend this approach.

We note that parents of children with disability will still be subject to the same means testing as other parents in relation to the mainstream subsidy, which is fair, but they should not have to pay more because their child has a disability.

Individual eligibility for this fund should dovetail with NDIS assessment processes and early intervention support services; these can assist with identifying the level of additional support requirements. Generally children who are eligible for NDIS support or early intervention funding, which covers early childhood developmental delay,¹ should be eligible for the subsidy. However, there may be some children who have additional disability related needs who are ineligible for the NDIS, based on the severity or permanency of their disability or the residency requirements of the NDIS. This may include children with mild developmental delay that is not deemed likely to have a permanent manifestation.

NDS strongly supports the proposal for children deemed at risk to have their costs fully subsidised. This will be beneficial for some children with disability who are also at risk. However, we note that if the additional cost of support for children with disability is not fully funded, a few families may seek to be categorised as 'at risk' in order to access fully funded ECEC services. A similar issue has arisen with access to general disability support as documented in a 2012 Victoria report: Desperate Measures.²

In addition to ensuring that the full cost of additional support is covered, government can reduce the number of families at risk by enabling and funding effective interagency collaboration and coordination across health, disability support and ECEC services.

Block funding will help create inclusive ECEC services

NDS acknowledges that some additional costs are best met through block funding rather than through individualised funding allocations. In particular, it is necessary to have centres ready to accept all children, which requires a universally inclusive approach to some aspects of ECEC services.

¹ Section 25 NDIS Act 2013

² Victorian Equal Opportunity and Human Rights Commission (2012) Desperate measures: The relinquishment of children with disability into state care in Victoria

NDS supports the Commission's proposal for an extended 'Inclusion Support Program' which provides one-off grants to ECEC providers to build capacity, including through training for staff and modifications to facilities and equipment. The challenge will be ensuring that the providers that receive these grants are those that welcome children with disability, and that they invest appropriately in creating inclusive services.

Priority for the Inclusion Support Program grants should be given to providers that have already enrolled children with disability and at least started the process of investing in an inclusive service. This will create an incentive for centres to invest in disability knowledge and accessibility, and to enrol children with disability.

There will also be some need to support providers in thin markets. NDS fully supports the proposed 'viability assistance programme', which could help maintain adequate disability-appropriate ECEC services in rural and remote regions.

Barriers to ECEC services for children with disability

Information Request 8.1: Information on the nature of the barriers faced by families with children with additional needs in accessing appropriate ECEC services. And information on the additional costs of including children with additional needs.

Disability and specialist ECEC services report that the following barriers are faced by families with children with additional needs in accessing appropriate ECEC services:

Uninformed attitudes: Staff are not always confident when it comes to providing high-quality care and education for all children, regardless of ability or learning needs. As a consequence, some parents of children with disability report that they have been turned away or not offered the same number of hours of care as other parents.

Lack of capacity: Even when staff are willing, they do not always have the necessary skills, knowledge or level of resources, which can lead to negative experiences in ECEC services. For example, support provided by an untrained educator may over-compensate for the child's disability and this may impede the development of functional skills. To enable successful inclusion of a child with disability, support needs to be embedded in the daily routines and activities of the centre. This often requires capacity-building for childcare workers, and sometimes additional staff to implement new strategies or adapt the program to be responsive.

Complex transition process: Often, ECEC services are the first environment beyond home in which a child, along with their family, will engage, and parents are often anxious about their child transitioning to a new environment. For families of a child with disability this can be especially daunting and perplexing. Parents want to know that their child is being left in a safe and secure environment where their individual needs are understood and met. It is critical that staff work in close collaboration with parents to plan and prepare a smooth transition. Sometimes further training is required by a specialist clinical team to provide a transition framework outlining strategies and supports that can be integrated into an ECEC service to maximise engagement.

Language and knowledge barriers: Some families do not use disability language to describe their child's additional needs. Indeed, for many young children with developmental delay, their future disability needs are unclear. This can be a barrier to getting the right support. Services report that these issues can be particularly challenging for families from different cultural backgrounds. Services have also reported that some parents understate the level of their child's disability because they

believe it might deny them access to a service. This creates problems for effective collaboration with parents about additional needs.

Shortage of specialised resources and expertise: There is a reported lack of mentoring and coaching available to support and develop the skills of educators and carers to be fully inclusive of all children. There are also reported difficulties in accessing specialised expertise and equipment.

No suitable services available: Some regions have sparse services available. Some parents cannot travel the distance required to find a suitable and affordable service that will accommodate their child with disability.

Unmet costs: ECEC centres report a gap in funding between the current subsidies offered to support a child with additional needs and the true costs of including them in the service. This results in out-of-pocket expenses for parents that are often beyond their discretionary income.

The costs of providing an appropriately inclusive ECEC service can include:

- The cost of employing additional worker(s) to support the inclusion of children with disability within routines and activities.
- The time and cost for staff to attend professional development and improve the disability knowledge and skills of educators and carers in centres. All staff should have an understanding of the principles of inclusion and how they relate to programming, the environment and interactions with adults and other children. Some staff may require specialised training in handling medication and other health needs or in specific behaviour support options.
- The time away from direct teaching and care required to collaborate with other services (such as allied health) and undertake program planning and ongoing program adjustments to respond to individual needs. Children with disability often require a planned and supported transition into a new environment to facilitate successful inclusion. Generally, ongoing flexible programming is also required.
- Purchasing and/or adjusting appropriate equipment and environmental conditions such as rails, ramps, switch adapted toys and specialised communication devices.
- Professional supervision and mentoring for educators and carers.
- Quality assurance measures to ensure that children with additional needs are appropriately supported and funding is applied according to the funding agreement.

Effective interface with the NDIS

Information Request 12.8: What services (that are not the funding responsibility of the NDIS) should be provided.. and how best to prioritise available funding

NDS believes there should be a seamless interface between the NDIS and ECEC services from a participant and provider point of view. Any debate about respective funding responsibilities should occur at a government level and behind the scenes.

As noted earlier, NDS suggests a close collaboration between the NDIS and ECEC services in identifying eligibility and the level of additional needs. This could prevent families from having to endure two assessments. It could also help to make the best use of intensive therapy services that may be funded by the NDIS. The other role that

the NDIS may need to play is funding for highly complex and individualised care required by some children to attend an ECEC service, such as customised seating or personal communication aids.

The proposed Special Early Care and Learning Subsidy should cater for additional disability-related costs that are not covered by the NDIS and that are not a core part of providing a universally inclusive service. These may include additional staff or training to accommodate individual requirements.

Some children with mild developmental challenges may not be eligible for NDIS funding; however, they are often most responsive to early intervention strategies within ECEC services which can dramatically improve long-term learning outcomes. To accommodate this within ECEC centres there may be a need for a higher staff-to-child ratio in addition to the more general inclusion training for staff.

NDS supports the Commission's proposal that the subsidy is based on cost. It will therefore be very important that various levels of additional cost are established and properly understood. The following section outlines the types of services that should be funded for children with disability. Their costs will vary considerably, depending on factors including economies of scale.

It is important to acknowledge the value of a flexible approach with ongoing monitoring and review where the ongoing impact of a disability on a child is uncertain. There can also be complicating circumstances if a child with disability is from a home that does not speak English as a first language. This means that ECEC services need a level of flexibility and control in how they use additional funding. It probably also means there will necessarily be some estimating and approximation in establishing various levels of the subsidy to match real costs. It will not be perfect but should be based on meeting reasonable costs.

Types of additional support that should be funded

Information Request 12.8 continued: What types of services (that are not the funding responsibility of the NDIS) should be provided for children with disability attending ECEC, and how best to prioritise available funding. And what is the range of needs for children of different ages and by the nature and extent of their disability.

Range of needs: Services report the following range of needs for additional support that children with disability may have in ECEC services:

- Children with challenging behaviours often need closer supervision or more focused support from skilled staff to participate in centre routines and activities.
- Children with medical needs or feeding difficulties require closer supervision for safety reasons, and at times additional one-on-one support. For example, some children require the administration of suctioning or oxygen.
- Specific training for staff on individual requirements such as for PEG (Gastrostomy) feeding, epilepsy or particular strategies for dealing with a child on the autism spectrum.
- General training for staff on disability inclusion. Unskilled staff may inadvertently delay development by over-compensating for a disability.

- Extra liaison time with therapists and/or family to develop appropriate programs and access to training to support specific strategies.
- Extra support in personal care.
- Specialised change facilities for older children (e.g. in after school-care) requiring incontinence aids. This can include requirement for lifters, toilet extensions, grab rails and sanitary bins.
- Sensory spaces for some children and designated quiet areas to help calm children down when required.
- Customised equipment, aids and assistive technology.
- Fenced perimeter areas with a locked gate.
- Area/space for gross movement activities, suitably sized swings, sandpits, and garden obstacle courses.
- Higher level of supervision and higher staff ratio when supporting a number of children with disability.
- Support for parents to help them navigate the various phases of early childhood this can include support in overcoming barriers to inclusion in other environments.

Priorities for investment: Services report the following priorities to create inclusive ECEC services that will benefit all children:

- Investment in the development of support systems for educators and carers working with children with additional needs. This might include mentoring support or access to advice from a pool of specialist early childhood intervention staff held by a regional hub.
- Investment in collaboration and networks across services. This should include opportunities to share and build knowledge for staff and carers as well as specific capacity-building and professional development activities.
- A 'train the trainer' program for inclusion support teams could fill a gap between mainstream childcare education and specialised disability services, as these two systems do not link well. Training modules could be usefully developed by a specialist team (speech pathologists/ occupational therapists / specialist teachers) who have a strong knowledge of childcare practice. All staff need practical 'on the ground' techniques to assist children with additional needs to learn, and extend their skills. Investment in the use of information technology could ensure these resources are accessible for all staff including in regional locations. This approach could also help develop communities of practice. For example, the use of interactive clinical blogs can be a successful way of supporting ECEC staff.
- Training and resources on early identification and referral. As childcare is often a child's first environment outside their home, many children with additional needs could be first identified there. However, experience indicates that many staff have limited knowledge on how to engage and support families with children that may require additional support. There are also very limited resources available to support educators to link families into early intervention supports. Resources need

to be developed to address this need. For example, the Autism Association in Western Australia recently developed a resource called “Is it Autism?” through one-off funding to support ECEC services. This includes a booklet and a poster to help educators identify early signs of autism and link families into correct pathways for intervention. This type of resource needs to be distributed nationally.

- Space for occasional or emergency childcare. Some parents will not need regular childcare arrangements but need a safe place to leave their child with disability on relatively short notice or for short periods. This can be a particular challenge for children with disability, as the usual informal child minders may not be confident to look after a child with disability. Making this service available is part of providing an inclusive service that can accommodate all children. It is an added benefit of funding general centre capacity and allowing some flexibility.

There may be some additional challenges for ensuring adequate in-home support provided by nannies to children with disability. It is not clear how the Commission envisages quality assurance measures working in that environment. Some investment may be required to ensure home workers can access professional development and support that is available to staff in ECEC centres. It will also be important to ensure that children with additional needs using ‘in home care’ are also included in general community activities and interacting with peers.

Other matters

Background checks for staff: NDS strongly supports the Commission’s proposal, “as a matter of priority”, to harmonise background checks for staff and volunteers across state and territory governments. NDS is recommending to government that this consistent approach is extended to all those working with vulnerable people, including disability support and aged care staff as well as workers in the child care sector.

This will require consistent regulatory requirements across sectors and across jurisdictions. It makes sense, as the risks revealed through a criminal history check are likely to be equally relevant in all sectors and in all states. Furthermore, some workers are likely to move between sectors and jurisdictions.

Fringe benefits tax and tax exemptions: NDS does not support the removal of eligibility of not-for-profit ECEC providers to fringe benefits tax exemptions, or any other reduction in tax exemptions.

NDS broadly considers the tax exemptions and other concessions provided to its not-for-profit member organisations to be appropriate and not a cost to government revenue. Taxes are intended to be applied to private wealth. Not-for-profit support providers do not distribute surpluses to private individuals but re-invest them in activities that support the charitable purpose of the organisation: there is no accumulation of private wealth.

Some of the not-for-profit disability organisations that NDS represents provide ECEC services. They invariably supplement their funding for service provision with additional resources, including from voluntary effort, fund-raising and business operations. These organisations respond to the needs of some of the most disadvantaged people in society - needs that are often not met by the commercial sector.

Support provision is impeded by difficulties in recruiting and retaining staff. The relatively low pay rates for workers contribute to these difficulties, as does the inability to pay managers salaries that are competitive with the private sector. Some of the tax concessions available to the sector, notably fringe benefits tax exemptions/rebates that facilitate salary packaging, reduce the adverse impact of these low pay rates by effectively increasing the 'take home' benefit of the remuneration. This helps lower the staff turnover rate. Current taxation arrangements assist not-for-profit organisations to maximise their charitable purpose (including having the workforce necessary to provide services).

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Contact: Dr Ken Baker
Chief Executive
National Disability Services
Ph: 02 6283 3200

About National Disability Services

National Disability Services is the peak industry body for non-government disability services. Its purpose is to promote and advance services for people with disability. Its Australia-wide membership includes 960 non-government organisations, which support people with all forms of disability. Its members collectively provide the full range of disability services—from accommodation support, respite and therapy to community access and employment. NDS provides information and networking opportunities to its members and policy advice to State, Territory and Federal governments.