Childcare and Early Childhood Learning

Productivity Commission Public Inquiry 2014

Response to Productivity Commission Draft Report

KU Children's Services Additional Response

This additional response submission by KU Children's Services focuses on the inclusion of children with additional needs in childcare and early childhood learning services. In our role as the National Inclusion Support Subsidy Provider, KU administers brokered funding on a national basis to all Australian Government funded services. KU also manages Inclusion Support Agencies in NSW and VIC supporting over 2,500 services. We are therefore uniquely positioned to provide a national perspective on the inclusion of children with additional needs.

KU is pleased to note that the Productivity Commission's Draft Report supports the right of children with additional needs to access childcare and early childhood learning services in the same way as all other children.

We are also pleased that the Commission has noted that there needs to be an increase in resources allocated to the Inclusion and Professional Support Program and that funding support for including children with additional needs ideally needs to meet the actual costs incurred by the ECEC service in including the child/ren.

We also welcome the focus on providing support to include vulnerable and at risk children in ECEC services and support for integrated "hub" service provision.

The Commission has raised a number of discussion areas and information requests in relation to the inclusion of children with additional needs. We seek to respond to these requests under the following key themes:

1. **Importance of "Inclusion" not just access**
   - Inclusion is not just being able to <u>enrol</u> your child at a service; it is enabling that child to <u>actively participate</u> in all the educational programs offered by the service with their typically developing peers. This is a cornerstone of the Early Childhood Intervention Australia and Early Childhood Australia joint position statement which is based on evidence and extensive consultation with the sector[1]

   - The current Inclusion and Professional Support Program promotes the inclusion of children with additional needs in mainstream services with their typically developing peers as this is recognised as delivering benefits to all children[2]. The program also recognises that services cannot do this without support and so provides a range of support targeted to the needs of individual services.

2. **All services should be inclusive**
   - We are concerned that a child-based funding mechanism which promotes "specialist disability ECEC services" as the Commission notes in the report rather than including children

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[1] http://www.earlychildhoodaustralia.org.au/wp-content/uploads/2014/06/ECA_Position_statement_Disability_Inclusion_web.pdf

[2] *Children with Disability in Early Childhood Education and Care*, Centre for Education Statistics and Evaluation (2014) www.cese.nsw.gov.au
www.cese.nsw.gov.au

in mainstream services contradicts best practice and limits the choices of families and their ability to participate in the workforce. Access to specialist services may not be available in a location that meets parent's needs.

- Under the National Quality Framework and State ECE Regulations all ECEC services must strive to be inclusive of all children. Services cannot be encouraged to bypass this requirement by referring families with children with additional needs to other services who are experienced at including children.

- There is also a limit to the number of additional needs children that a mainstream ECEC service can enrol without significant impact on the ability of the service to meet the education and care needs of all children in the service, even with funding provided for additional educators e.g. if a high number of children exhibit very challenging behaviours in a service, then the educators may find that this behaviour is impacting negatively on typically developing children who may wish to leave the service. This means that mainstream services who support a large number of children with additional needs are disadvantaged if the enrolment of children with additional needs is not spread across all services in the locality.

- The following statistic was stated in the *Data analysis of children with disabilities in community preschools report* by Deloitte Access Economics for the NSW Department of Education and Communities (July 2014)

  17% of preschools reported not being able to enrol a child in at least one of the last three years because they could not accommodate the child's additional needs. These preschools were predominately located in major cities and were relatively more likely to have a high proportion of children with disabilities already enrolled in their service

3. **Inclusion and NDIS**

- NDIS can support <u>access</u> to the ECEC service as it provides individualised support to children to meet their personal needs and increase their functional capacity.

- IPSP support provided through the Department of Education assists <u>all</u> children to <u>participate</u> in the educational programs offered by ECEC services (group support).

- The purposes of these two funding streams are different and care needs to be taken not to adopt a child-based model when promoting inclusion support and instead consider group needs, avoiding the "one to one" support model in ECEC services where a child has "their own" educator and quality inclusive practice is not taking place.

- Inclusion Support Agencies currently provide support to children who do not have a diagnosis and would not be accessing NDIS and also the inclusion of children from a CALD or refugee background and Indigenous children so have a much broader remit than NDIS supports.

4. **Special Early Care and Learning Subsidy**

    - KU supports the increased funding available to all services through the SECLS as the funding should ideally reflect the full costs of employing an additional educator. For example, at KU operated services the current ISS/FSF covers approximately 60 % of this cost. However we do not support the Commission's proposal that this funding should be based on a per child payment

    - Based on our experience with ISS, the ISS budget of approx $50m would need to be at the very least doubled or even tripled to meet the SECLS needs as proposed as cost reduction measures that currently exist are not part of the proposal e.g. ISS may fund one educator for 2 children with additional needs at a subsidy rate for 40 hrs pw, SECLS will fund 2 educators at full cost 50hrs pw (100 hrs pw total) in the same situation.

    - Whilst we would support this investment, assuming this is not possible in this fiscal climate, targeting of the SECLS funding will be necessary to ensure that funding is matched to need.

    - This targeting should ensure that services including children with the highest needs receive sufficient support as these children are those most likely to be excluded from ECEC services

    - A child-based funding model does not recognise the impact that the environment, experience and expertise of the educators and the needs of the other children have on the requirement for inclusion funding e.g. the same child may be able to be included in one service without the need for additional funding, but in another service there may be inexperienced staff and other children with high support needs and funding will be required for an additional educator.

    - We believe that a "one size fits all" approach will not be effective and the SECLS should be implemented as a differentiated solution for different service types (see Solutions below)

    It must be noted that solely providing additional funds to services will not address the practical issues that services face when including children with additional needs. Each situation is different, and staff can quickly get overwhelmed by the challenges that a particular group of children present in the environment, even if funding has been provided for additional educators. If there is an inexperienced staff team, simply adding another funded inexperienced staff member will not help the situation sufficiently. In some areas such as rural and remote services you cannot access additional staff members even if you have the funding to do so. Therefore a multi-layered approach is needed where individualised support to educators, such as through the Inclusion Support Agencies, is supplemented by funding for inclusion where it is most needed resulting in sustainable inclusive practice.

5. **Inclusion Support Program Once off Grants should not replace block funding of ISAs**

- ISAs provide cost effective, individualised support meeting the specific needs of the particular children and environment within the ECEC service. The benefits of the ongoing coaching/mentoring support that ISAs provide to services is reflected in the positive feedback from surveyed services.

- ISAs provide "on the ground" consultancy support to services as a cost effective measure to ensure that all ECEC services can access appropriate, targeted support for their particular circumstances. ISAs provide expert support but also transfer knowledge to build the capacity of services via coaching, mentoring, small group training etc which often reduces the need for services to access additional funding. ISAs also have a role in assisting the targeting of funds (e.g SECLS) to services and increasing services' accountability for Government funds. ISAs assist the implementation of the Government's quality agenda as they have a unique situation whereby they are often the only agency who visit to <u>support</u> services rather than have a compliance role such as Assessment and Ratings visits so services are open to discussing their challenges and areas for improvement without fear of a poor rating.

- If the provision of Inclusion Support is not block funded and moves to a user-pays model, there are likely to be services who will not be able to access support as it will not be viable for ISAs to operate in that area, particularly if the tax benefits for not for profit providers are removed. In addition, some services who are reluctant to include children with additional needs may choose not to include children rather than go through the process of applying for grant funding and then purchase inclusion support advice.

6. **A twice yearly application process for Grants has limitations**

- Limiting access to this funding to twice per year may not effectively match demand therefore government funds will not be sufficiently targeted e.g. if funding for January-June is allocated in January, a child with additional needs may enter the service in February and the service needs to wait until July to access support. Equally, if funding has been allocated for January-June and the child leaves the service in February, the use of those funds for other services needs to be considered.

- There will be resource challenges for the agency/Government department assessing applications from all CCB services twice per year for this funding within a short timeframe

- In line with all other Government funding, the provision of funds needs to be accompanied by an accountability framework to ensure the best use of funds

7. **Risk of increasing red tape for families and services**

- The current process for applying for Inclusion Support Subsidy can be frustrating for services as it is not as streamlined as it could be and the IS portal has some functionality issues. However the proposed process of accessing inclusion support through SECLS and twice yearly grants risks increasing the amount of red tape for families and services depending on how the per-child need is determined through the need to provide more information from families and services and the need complete an application process without the assistance of a support agency such as an ISA.

Proposed solutions

1. Retain block funding for Inclusion Support Agency service delivery

If the administrative workload that ISAs face with the current ISS application process is streamlined, ISAs would have more time to devote to assisting services with practical strategies and support to include all children including children with disability, vulnerable children, children from CALD and refugee backgrounds and Indigenous children. This may reduce the number of services who need access to "top up" SECLS funding as ISAs can assist services with lower needs to include children without additional funding.

ISA support needs to remain block funded not via a "user pays" model to ensure that all services receive equitable access to nationally consistent high quality expert support especially in rural/remote areas.

2. Use a targeted approach to SECLS funding within the capped allocation

A targeted approach needs to take into consideration:

- The need for a simpler application system for funding supported by appropriate system functionality
  - The current IS Portal system is not custom built for ISS and, whilst enabling services to receive payments regularly, the application side of the system can be frustrating for all users

  - If funding is available, a new system could be built to process all ECE funding. This system should be customised to make it streamlined, intuitive for users to enter information into and link with as many other Government data sources as possible to limit the information that services and families need to provide and reduce red tape e.g. a "flag" that a child is approved under NDIS could remove the need for families to provide additional information to access funding

  - If funding for a new system is not available, customisation of the current Portal will be required to reduce the time spent by services making applications and ISAs assisting services to use the Portal

- The different funding needs of different service types (see Attachment for more details):

  - Annual funding could be provided to LDC and OSHC via a streamlined process linking with other Government systems such as NDIS to reduce the amount of red tape. This funding needs to be specifically targeted to the needs of individual services as the need for funds will be different from one service to another. It also needs to recognise the changes in need for funding through the year through a simple change in funding process.

  - Annual funding to FDC could be provided on a block funded basis for each scheme to allocate payments to educators based on the impact of the children they have enrolled. This would significantly reduce red tape for FDC and increase flexibility for families

  - Short term funding could be provided to support emergency/short term need in LDC and OSHC and also recognise the variable nature of enrolments in Vacation Care and

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Occasional Care which are often at very short notice. This could be accessed by a very simple process to increase flexibility for services to meet the needs of families

- Care provided in the home such as through nannies or In Home Care does not provide an inclusive environment as children are in their own home and are not participating in activities with typically developing peers who are not their siblings. We therefore propose that funding to support children with additional needs using this service type is provided through NDIS.

- The combined needs of the children and staff in each service not solely individual child needs. This will promote inclusion not just access and recognise that actual needs and costs are different in different services

- Flexibility for differing attendance patterns of children across each week

- Flexibility to support services with short term inclusion funding needs only

- Flexibility to support children that have additional needs but no diagnosis including vulnerable children

- Prioritising funding for high needs children

- Funding for exceptionally high needs children could include funding 100 % of the deemed cost of accessing ECEC services through ECLS plus 100 % of the cost of supporting their additional needs through SECLS

- Funding must not encourage practices which are not quality inclusion

3. **Specialist Equipment**

Equipment may be better provided via NDIS as it is support to an individual child to meet their personal needs, rather than group support

4. **Improving the capacity of newly qualified staff**

Building the capacity of new staff entering the sector via an increased focus on inclusion in University and TAFE courses will help meet the need for up skilling of staff

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Example of a proposed SECLS model for consideration:

Note: Each service type would also receive practical, on the ground support from their local Inclusion Support Agency in addition to the funding outlined below which would include services developing and implementing an annual Inclusion Improvement Plan to ensure that the focus remains on quality improvement.

Annual Funding

Service type	Proposed funding model	Benefit of targeted model
Long Day Care	Funding: Tiered funding levels based on both the needs of the child and key factors such as the environment, experience and skills of the educators and the needs of the other children in the environment. Aim to achieve sustainability in services. Application Process: Simplified application process but funding targeted to need. Simplified process for adjusting funding to meet changing enrolled days throughout year	Funding to be prioritised for the highest needs situations. Ability to manage overall SECLS funding within allocated budget is increased as funding is targeted to need. This will reduce the possibility of waiting lists/insufficient funding provided
Before School Care/After School Care	Same as LDC	
Family Day Care	Funding: Block funding to each FDC scheme. The FDC scheme can then allocate funding to each educator based on the impact of the children in each educator's home. Application process: None. Based on an annual census of numbers of children with disability included in each scheme.	Significantly reduced red tape for FDC where inclusion funding needs do not vary as much as other service types

Short Term funding

Service type	Proposed funding model	Benefit of targeted model
Vacation Care	Funding : Child-based costing model to fund each child with additional needs meeting set criteria. Application Process: Apply prior to each vacation period using very simple, tick box online application against key factors impacting on ability to include children.	Streamlined process. Enables VAC services to access funding speedily when families enrol with very short notice and enrolments change each Vacation period. Most Vacation care services operate in environments that are difficult to include children with high needs e.g. excursions to leisure attractions, use of sporting premises etc with a lack of toileting facilities , fencing etc so in most cases the staff:child ratio needs to be increased for each high needs child enrolled.
Occasional Care	Child-based funding. Same simple application process as VAC care. Apply when needed.	Reduces red tape – easy access to funding for short term needs
Emergency/short term funding for LDC and OSHC	Child-based funding. Same simple application process as VAC care. Apply when needed.	Reduces red tape – easy access to funding for short term needs

Funding not included in SECLS

Service type	Proposed funding model	Benefit of targeted model
Care in family home e.g. Nannies, In Home Care	Funding to be responsibility of NDIS. Care within the family home does not fall under the definition of inclusion as there are no other typically developing children present (apart from siblings). Therefore this support is best funded via NDIS as a support to meet the personal needs of the individual child.	Enables family to exercise "choice and control" offered through NDIS