

26 May 2023

## Submission to Productivity Commission Enquiry – Early Childhood Education and Care

### ***Sessional ('occasional') childcare and neighbourhood houses***

**Keir Paterson**, CEO, Neighbourhood Houses Victoria

#### Introduction

Various reforms of the Early Childhood Education and Care (ECEC) system have benefited and will benefit children and working families through:

Better education outcomes, leading to improved opportunity particularly for children with other barriers to education, through the introduction of three year old kinder and higher professional standards in the ECEC sector.

Improved economic access by removing barriers to workforce participation.

Improved pay and career outcomes for early learning professionals.

Better and safer early education and care through improved Child Safety Standards.

Neighbourhood Houses emerged as safe spaces for women's safety, education and economic empowerment through the first wave feminist movement and the Whitlam government's commitment to women's greater economic participation. As such, our sector strongly supports the various state and federal attempts to reform ECEC.

However, these reforms have had unintended consequences that impact the most vulnerable women in our society, creating barriers to core skills acquisition, economic participation, social connection and, in some cases, compromising women's safety.

We understand that the Productivity Commission has been asked to, "make recommendations that will support affordable, accessible, equitable and high-quality ECEC that reduces barriers to workforce participation and supports children's learning and development."

Of the issues Treasurer Chalmers has asked the Commission to consider, the following are particularly relevant to our sector:

- affordability of, and access to, quality ECEC services that meet the needs of families and children
- economic growth, including through enabling workforce participation, particularly for women, and contributing to productivity
- outcomes for children and families experiencing vulnerability and/or disadvantage, First Nations children and families, and children and families experiencing disability

This submission outlines these unintended consequences, how they impact equity and accessibility, and explains how they have arisen.

We also make the following recommendations to begin to address the unintended consequences of ECEC reform:

1. Recognise the important role of sessional childcare as an enabler of women's education and social and economic participation, particularly where language or digital skills are a barrier.
2. That the Commonwealth identify areas (particularly in rural and regional areas) where the Commonwealth Childcare Subsidy is insufficient to sustain sessional community-based care.
3. That the Commonwealth and state governments work together to establish a funding mechanism to ensure the sustainability of community-based sessional care.

### Neighbourhood houses and ECEC

Neighbourhood Houses were founded largely by women in the 1970s for the express purpose of improving women's wellbeing, safety and economic participation. From these grassroots beginnings, the Neighbourhood House sector in Victoria has grown to more than 400 neighbourhood houses serving 150,000 Victorians per week.

For many years, early childhood education and care was a core offering of nearly all neighbourhood houses as it was recognised as a key barrier to women's economic participation and safety. In addition to ECEC provision to enable women to access paid work, there was a focus on occasional care as

The sector, in terms of both staffing and participation, is still overwhelmingly female.

There is an important distinction to be made between neighbourhood houses and other community organisations who provide sessional childcare and for-profit organisations like fitness centres or resort/hotel complexes that provide child minding.

As at July 2022, the breakdown of occasional care spaces in Victoria was as follows:

- 244 state registered providers have 5981 places
- 184 are not for profits that have 4488 places
- 75 Neighbourhood Houses have 1924 places

### The importance of sessional ECEC to improve women's economic participation

Since inception, most neighbourhood houses offered sessional (sometimes referred to as 'occasional' childcare) to enable women to participate in these services.

There is a misperception that sessional care has the primary purpose of allowing parents to ‘take a break’. The State Government’s own website describes it as, “designed to allow parents to get some rest or exercise, or attend an appointment or job interview.”

This is not the key driver for neighbourhood houses to provide ECEC: this service is provided to enable vulnerable women acquiring foundational skills to improve inclusion and participation, and in many cases to advance to more vocational training. In many cases, women who need it most would not be able to access these services due to care responsibilities.

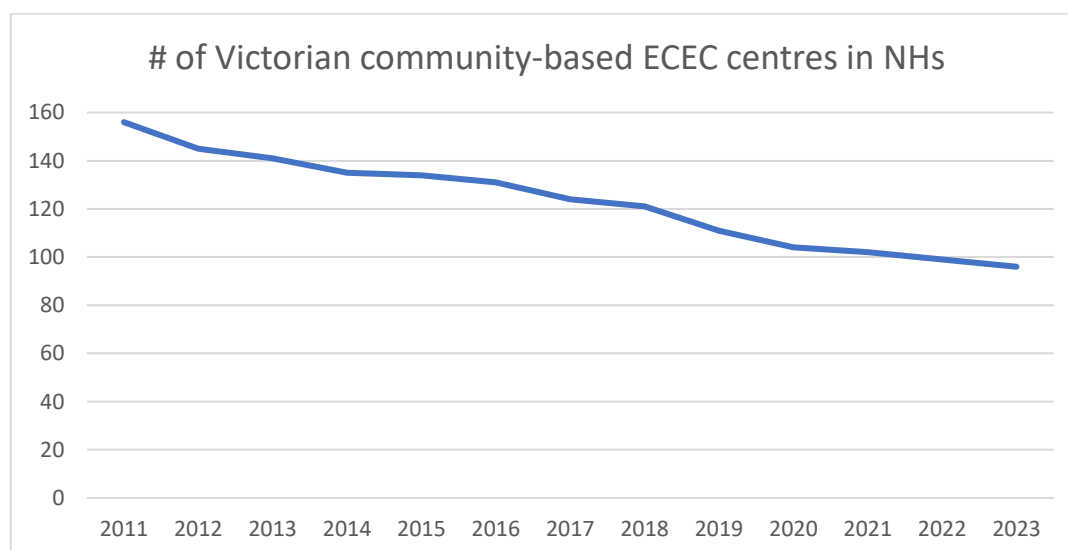
This is particularly true of women for women with language or technology barriers.

In addition, many neighbourhood houses have used sessional care as a way of supporting women in cases of domestic and family violence or family breakdown. Sessional places allow women to attend court dates, meet with social workers or parole supervisors or undertake family mediation.

### Long term decline of sessional care

There are now fewer than 100 neighbourhood houses offering sessional care, whereas in 2011 there were 160. Nine were lost in 2022 alone.

Of the remaining centres, 42 are in disadvantaged postcodes and 13 are in small country towns, 11 of which have no alternative centre-based childcare.



### Forces driving neighbourhood houses out of sessional care

<b>Child Care Subsidy expansion</b>	<ul style="list-style-type: none"> <li>- State funding for ECEC has been removed and the Commonwealth child care subsidy (CCS) has been designated the single funding instrument.</li> <li>- CCS only works for large, long-hours ECEC providers. The economics do not meet the fixed costs of smaller, shorter hours providers because they are based on an hourly subsidy.</li> <li>- The requirement to be open 48 weeks for CCS eligibility and therefor any other related grant scheme has been a barrier</li> </ul>
-------------------------------------	---

	<p>for some who ran a 40 week program aligned to educational terms.</p> <ul style="list-style-type: none"> <li>- Expansion of three year old kinder and long hours coverage leading to difficulty recruiting qualified staff for sessional care.</li> </ul>
<b>Three year old kinder</b>	<ul style="list-style-type: none"> <li>- The introduction of three year old kinder has exacerbated workforce issues.</li> <li>- It has skewed demand to younger groups, which require higher staffing ratios without additional funding or increased willingness/ability of families to pay.</li> </ul>
<b>Improved child safety standards</b>	<ul style="list-style-type: none"> <li>- Improved standards, while welcome, increase compliance costs and for many neighbourhood houses give rise to capital requirements due to new minimum metreage requirements.</li> <li>- While NHVic is a strong supporter of cultural safety guidelines for indigenous children (and is providing comprehensive training to the sector), this is an additional cost with no equivalent funding increase.</li> </ul>

### Examples of the impact on neighbourhood house ECEC

Three specific and recent examples of neighbourhood houses who have or are about to exit childcare and the impacts on those communities.

Kensington Neighbourhood House	Kensington provides a huge range of services to residents of the Flemington, Kensington and North Melbourne public housing, particularly the Somali community, including social enterprise and micro business programs, language, digital literacy, and social connection. Most of the women attending these programs have young children and no access or ability to pay for childcare outside the home. KNH stopped providing ECEC in 2022, despite registering for CCS, due to the unintended impacts of funding removal, workforce challenges and shifting demands due to the introduction of three and four year old kinder.
The Bridge Darebin	The Bridge in Darebin has managed to continue to provide childcare but has had to resort to permanent, part-time bookings. This has meant that childcare at this centre is no longer an enabler of access to education. In addition, The Bridge used to maintain up to three 'emergency' places for women experiencing domestic and family violence and/or housing or legal issues, allowing them to deal with these (often lengthy) processes without involving their children. This is no longer a service the house can offer.
Winchelsea Neighbourhood House	Winchelsea is in a low SES, regional centre with no other local childcare options. The house has made the difficult decision to cease offering care as the extent this house was subsidising this service was threatening its overall financial viability.

## Recommendations

Not-for-profit, community-based care in Neighbourhood Houses is an enabler of women (particularly those with language or technology barriers to participation) to access community-based education.

It is also often the only childcare available in smaller communities in which a purpose-built long hours ECEC centre isn't sustainable.

Sessional care is also an important child safety measure that enables women to attend court or mediation sessions, access AOD services, or seek safety in domestic and family violence situations without having to exposure children to these processes, which can be traumatic.

Unfortunately, the move to rely on the CCS as the key funding mechanism and the withdrawal of state-based funding for community-based sessional care has severely challenged sustainability.

There are clear impacts of these unintended consequences in terms of Treasurer Chalmer's stated interest in understanding the impacts on equity for women and outcomes for children.

Neighbourhood Houses Victoria recommends that the Commonwealth government works with the states to address this trend, namely:

1. Reserving a small amount of the funding pool allocated to the CCS to ensure to support these vital services. Depending on the size and needs of the neighbourhood house and the community it operates in, \$50,000 per centre per annum would be sufficient in most cases to reverse the decline. In Victoria this would amount to no more than \$5M per annum.
2. Review the hourly funding model so it is fit-for-purpose for shorter-hours community-based ECEC.

## **Appendix I: Neighbourhood Houses who have exited childcare since 2011**

2011	Farnham Street Neighbourhood Learning Centre
2011	Mountain District Learning Centre Ltd
2011	Orwil Street Community House
2011	Red Cliffs Community Resource Centre
2012	Cann River Community Centre
2012	Creswick Neighbourhood Centre
2012	Crib Point Community House Inc
2012	Haddon Community Learning Centre
2012	Living and Learning Nillumbik - Diamond Creek
2012	Longbeach PLACE Inc
2012	Nathalia Community House
2012	Reynard Street Neighbourhood House Inc
2012	The Basin Community House Inc
2012	Warrandyte Neighbourhood House Inc
2012	Wyndham Community Education Centre
2013	Castlemaine Community House
2013	Deans Marsh Community Cottage
2013	Orana Neighbourhood House Inc (Wantirna)
2013	Swan Hill Community House Inc
2014	Mahogany Street (defunct)
2014	Mordialloc Community Centre
2014	Morrison's (defunct)
2014	Nicholson St (defunct)
2014	Sale Neighbourhood House Inc.
2014	Sussex Street Neighbourhood House
2015	Canterbury Neighbourhood Centre Inc
2016	Gormandale Community House & Learning Centre Inc
2016	Maribyrnong Community Centre
2016	Mount Martha (defunct)
2017	Belgrave South Community House (defunct)

2017	Elwood and St Kilda Neighbourhood Learning Centre Incorporated
2017	Jamieson Way Community Centre Inc
2017	MELTON SOUTH COMMUNITY CENTRE INC
2017	Mornington Community Contact (defunct)
2017	Mulgrave (defunct)
2017	Vermont South Community House Inc
2018	Bass Valley Community Group Inc
2018	Holden Street Neighbourhood House
2018	Kallista Community House Inc
2019	Baranduda Community Centre
2019	Chelsea Heights Community Centre
2019	Clota Cottage Neighbourhood House
2019	Darley Neighbourhood House & Learning Centre
2019	Jika Jika community Centre
2019	Mooroopna Educationa and Activity Centre
2019	North Ringwood Community House Inc
2019	Open Door Neighbourhood House
2019	Port Fairy Community House
2019	SpringDale Neighbourhood Centre Inc.
2020	Box Hill South Neighbourhood House
2020	Endeavour Hills Neighbourhood Centre Inc
2020	Hawthorn Community House
2020	Iramoo Community Centre
2020	Moongala Women's Community House
2020	Richmond Community Learning Centre
2020	Rowville Neighbourhood Learning Centre Inc.
2021	Craigieburn Education and Community Centre Inc
2021	Moe Neighbourhood House Inc
2022	Glenroy Neighbourhood Learning Centre
2022	Goonawarra Neighbourhood House Inc.
2022	Kensington Neighbourhood House