Acknowledgement
SNAICC acknowledges the Traditional Owners of the lands on which we live and work, and pays respects to their Elders past and present. SNAICC offices are located on the lands of the Wurundjeri People of the Kulin Nation, and SNAICC operates nationally. SNAICC acknowledges Traditional Owners of all lands and waters across this continent, and pays respects to Elders past and present.

About SNAICC
SNAICC is the national non-government peak body for Aboriginal and Torres Strait Islander children. We work for the fulfilment of the rights of our children, in particular to ensure their safety, development and well-being.

SNAICC has a dynamic membership of Aboriginal and Torres Strait Islander community-based child care agencies, Multi-functional Aboriginal Children’s Services (MACS), crèches, long day care child care services, pre-schools, early childhood education services, early childhood support organisations, family support services, foster care agencies, family reunification services, family group homes, services for young people at risk, community groups and voluntary associations, government agencies and individual supporters.

Since 1981, SNAICC has been a passionate national voice representing the interests of Aboriginal and Torres Strait Islander children and families. SNAICC champions the principles of community control and self-determination as the means for sustained improvements for children and families has been at the heart of SNAICC’s work — whether on child protection and wellbeing or early childhood education and development. Today, SNAICC is the national peak body for Aboriginal and Torres Strait Islander children and the sector supporting these children. Our work comprises policy, advocacy and sector development. We also work with non-Indigenous services alongside Commonwealth and State Governments to improve how agencies design and deliver supports and services for Aboriginal and Torres Strait Islander children and families.
Contact Details
SNAICC – National Voice for our Children (Aboriginal and Torres Strait Islander Corporation)
First Floor, 27 Budd Street, Collingwood (Wurundjeri), VIC 3066
Phone: 03 9419 1921 |
PO Box 1144, Collingwood VIC 3066 |
info@snaicc.org.au | www.snaicc.org.au
SNAICC Federal Budget Pre-Budget Submission 2023-24

January 2023

Introduction
The Albanese Government has committed to “closing the Gap and to the investments and programs that are required to deliver that change”[1] and specific commitment to work in partnership with Aboriginal and Torres Strait Islander communities to “improve culturally safe supports for families with a focus on the early years (and); improve child safety by supporting programs that will help reduce the unacceptable number of First Nations children in the child protection system”[2]. Aboriginal and Torres Strait Islander families have endured decades of delays and broken promises. SNAICC calls on the Federal Labor Government to bring an end to the wait for government investment in co-designed programs that will support families to heal and to thrive. This pre-budget submission identifies programs and systems architecture needed to underpin self-determined action that will provide sustained, positive change in Aboriginal and Torres Strait Islander communities.

Initiatives proposed here progress action on priorities outlined in the current National Closing the Gap Agreement (CtG) and associated implementation measures such as the Early Childhood Care and Development Sector Strengthening Plan.

In the context of CtG, Early childhood development and care has been recognised as an area in which positive change has potential to impact a range of CtG targets and create positive structural change[3]. This submission proposes investments to increase the affordability and accessibility of quality early childhood education and care (ECEC) and a national program of preventive services to support vulnerable families and reverse the trend of increasing numbers of children in out-of-home care.

CtG prioritises shared decision-making between Aboriginal and Torres Strait Islander people and Governments. SNAICC has been working with governments to implement these provisions through the Safe and Supported: National Framework for Protecting Australia’s Children 2021-31, including establishing shared decision-making in the governance, implementation and specific actions under the Framework. This submission calls for full funding to support Safe and Supported, to give effect to shared decision-making and for government to follow through on commitments in the Framework.

Similarly, the CtG prioritisation of strengthening the capacity of the Aboriginal and Torres Strait Islander community controlled (ACCO) sector highlights the need for viable ACCO Peak bodies with strong capacity to develop policy and influence issues of key importance to membership, such as the development of funding mechanisms which are responsive to the needs of membership and community. This is basis for a proposed increase to SNAICC’s core funding and a redesigned funding mechanism for ACCO led Early Childhood Education and Care (ECEC), respectively.

Finally, in the interests of accountability we call on the Government to establish a dedicated role National Commissioner for Aboriginal and Torres Strait Islander Children and Young People, fully resourced and supported by legislation. The
Commissioner’s focus on upholding the rights of Aboriginal children and young people will ensure continued focus on CtG targets which relate to the health and well being of our children and youth.

Focus area: Early Learning and Development

1. Provide a minimum entitlement of 30 hours 95% subsidised access per week to Early Childhood Education and Care (ECEC) for all Aboriginal and Torres Strait Islander children as an ongoing measure to Close the Gap in ECEC attendance and Australian Early Development Census (AEDC) outcomes.

The Family Assistance Legislation Amendment (Cheaper Child Care) Bill 2022 guarantees all Aboriginal and Torres Strait Islander children 36 hours per fortnight of care subsidised to 90% for all families earning $80,000 or less. This proposal recommends this entitlement be increased to 60 hours per fortnight, concurrent with increasing the subsidy to 95%. The measure specifically addresses higher rates of developmental vulnerability amongst Aboriginal and Torres Strait Islander children, in comparison to the general population. It addresses both the administrative complexity associated with the Child Care Subsidy (CCS) and financial cost of ECEC, both of which negatively impact access to ECEC by Aboriginal and Torres Strait Islander families. In addition, extending access of this entitlement to all Aboriginal and Torres Strait Islander families recognises that even those on higher incomes still face challenges to overcome issues of inter-generational disadvantage, trauma and discrimination, and should be provided with ready access to additional early learning to support efforts to Close the Gap. Ultimately, SNAICC supports the calls of many leading experts and sector organisations for the provision of free universal early learning and child care to build a more prosperous, equitable and sustainable future for Australia’s children. We consider this proposal to be an interim measure which supports progress towards CtG targets until a free universal system is implemented.
**Rationale:**
International evidence suggests that consistent and early intervention between the ages of 0-5 years has the greatest positive impact on developmental outcomes, with some evidence to suggest that birth to three years may be the critical window for child development[^1]. In addition, research suggests the need for high quality educational support prior to pre-school, particularly for children who have experienced disadvantage[^2].

The Australian Government is not on track to meet childhood development targets under the National Closing the Gap (CtG) agreement by 2031, and the 2021 AEDC census noted a reversal in the trend towards improvement in the developmental domains of Aboriginal and Torres Strait Islander children, with only 34.3% percentage of Aboriginal and Torres Strait Islander children were on track in all five developmental domains, compared to 56.2% of non-Indigenous children.

Introduction of the Child Care Package in 2018 saw a drop in Aboriginal and Torres Strait Islander engagement in ECEC, for a number of reasons including administrative complexity of engaging with the scheme and reduced access to a minimum 24 hours per fortnight of subsidised care for families who fail the activity test[^3]. As noted above, the Cheaper Child Care Bill 2022 guarantees a welcome increase to 36 hours subsidised ECEC access per fortnight for all Aboriginal and Torres Strait Islander families. This is, however, insufficient to the developmental needs of children. Whilst there is evidence to suggest that 60 – 80[^4] hours per fortnight high quality ECEC produces positive impacts for children experiencing disadvantage, there is no indication whether lesser amounts of educational support will have similarly positive outcomes. The negative impact of the activity test on Aboriginal and Torres Strait Islander ECEC access has been extensively documented[^5][^6].

Conversely, temporary suspension of the activity test during the COVID-19 pandemic saw an increase in Aboriginal and Torres Strait Islander children’s ECEC participation increased by 12 per cent in the 9 months to June 2021[^7].

SNAICC recommends the discontinuation of the Activity test which will extend the benefits to all Australian children experiencing disadvantage. Mandated access to a minimum 60 hours per fortnight subsidised ECEC is an acceptable interim step to expedite government commitments to its CtG early childhood development targets. Without this mandated access, it appears that the most vulnerable Aboriginal and Torres Strait Islander children whose families may be in precarious work or under – employed, have little chance of accessing the amount of educational and developmental support they need.

Further, investment in ECEC is likely to project significant returns both in long and short term. Extensive international cost/benefit analysis highlights the long-term savings for Government of investing in early education for vulnerable children. Analysis of nine of the most comprehensive and credible international studies indicates that return on investment in well-designed early years’ interventions ranged from 75% to over 1,000% higher than costs[^8]. Whilst the central issue of this proposal is the needs of children, it is also obvious that investment which increases the accessibility of childcare will enable increased parental workforce participation, and benefit the economy. Modelling undertaken by the Grattan Institute suggested that increasing childcare subsidies to 95% for low income families and flattening the taper rate would generate $11 billion for an investment of $5 billion. The Institute proposed this measure as a preferred option to boost female participation in the...
workforce, rated against criteria of fairness, simplicity for parents, simplicity of administration, and cost/benefit to Government.[ix]

Cost:
Aboriginal and Torres Strait Islander children represent a relatively small proportion of the population. A substantial proportion of this cohort is currently accessing ECEC. Introducing a guaranteed minimum number of subsidised hours even at an increased level of subsidy is a modest investment. The proposed measure is highly targeted: it is likely to have the greatest impact on the most vulnerable children and positively impact Closing the Gap targets.

The costing of this budget measure is complex and will require resources not available to SNAICC. Costing considerations include:

- A significant number of Aboriginal and Torres Strait Islander families already accessing child care would likely increase their hours of access when the measure is introduced;
- Implementation of the measure will need to be accompanied by support to develop the sectors and workforce to provide additional quality and culturally safe education, and promotion of community take-up. While there will be some immediate take-up, it is likely to increase steadily towards parity over a number of years in line with sector development; and
- There will always be a significant number of families who do not need and choose not to utilise the full 60 hours per fortnight.
- Suspension or removal of the Activity Test will have a positive impact on the budget bottom line, because of the complexity of administration.

2. Introduce an alternative needs-based funding stream for Aboriginal and Torres Strait Islander ECEC services, which supports service viability and continued capacity to offer unique, integrated and community focussed child development supports to children and families.

Aboriginal and Torres Strait Islander children are disadvantaged by ECEC funding models which have created inequities in the distribution of ECEC services, and do not support sustainable delivery of the holistic and integrated ECEC services which they need. This proposal is intended to ensure families’ access to services no matter where they live and funding for holistic and integrated ECEC which is grounded in the cultural need to support the child in the context of their family and community.

Rationale
As many as one million Australians have no access to childcare: living in ‘child care deserts’ that have three or more children for every available childcare place[x]. Research undertaken by the Mitchell Institute indicates a greater availability of ECEC places in areas of relative socio-economic advantage, where providers are able to charge higher fees. Conversely, the shortage of childcare places is most acute in regional and remote areas and metropolitan areas of relative social disadvantage[xi] where Aboriginal and Torres Strait people are more likely to reside[xii].

The Child Care subsidy (CCS) which is central to this funding model introduces an activity-based element of instability into the funding of Aboriginal and Torres Strait Islander
led ECEC services which are already struggling to cover the broader scope of holistic services required of them by their communities. In addition, centre directors also reported steep increases in unfunded administrative burden involved in assisting families to access subsidies.

The Community Child Care Fund (CCCF) provides grant funding to a significant number of Aboriginal and Torres Strait Islander ECEC services but is limited to areas where services would otherwise be unviable, such as remote areas. This funding is not sufficient, however, to resource the integrated services that children, families and their communities need.

A funding model is needed that provides a base entitlement for Aboriginal and Torres Strait Islander children attending ECEC and funding that supports community engagement and integration of services. Cultural safety and partnerships with community and are essential to effective ECEC for Aboriginal and Torres Strait Islander children[13]. In addition, research has demonstrated that optimal outcomes for Aboriginal and Torres Strait Islander children are achieved by taking a comprehensive and holistic approach to education that focuses on the whole child, and combines health, nutrition, child and social protection, culture and learning with nurturing care and protection, and tackles the wider social determinants of health that contribute to disparities in early life[14]. Current ECEC funding is focussed on the individual child and does not accommodate the provision of integrated holistic services which encompass the needs of children and families.

Cost:
The costing of this budget measure is complex and will require resources not available to SNAICC, however there is a precedent on which to base financial modelling appropriate to the needs of Aboriginal and Torres Strait Islander Communities. Aboriginal and Torres Strait- Child and Family Centres (AFCS) provide excellent exemplars of integrated, holistic ECEC service provision. Uniform Commonwealth and State government co-funding for ACFCs across Australia ceased in July 2014, but nonetheless, the funding model as it existed between 2008-2014 provides the basis for development of a funding stream for comprehensive services. This work can also be informed by extensive research has been undertaken by SNAICC into the efficacy of funding mechanisms which underpin service delivery by Aboriginal and Torres Strait Islander community controlled organisations.

Focus area: Supporting Families and Child Safety

3. Fully resource Safe and Supported: the National Framework for Protecting Australia’s Children 2021-2031

Safe and Supported: National Framework for Protecting Australia’s Children 2021-2031 has been negotiated and agreed by all states and territories, the Federal Government, and by Aboriginal and Torres Strait Islander leaders around the country. Safe and Supported must be backed up by funding commitments in order to achieve the goals set out in the Framework.

Rationale:
The Framework sets out a range of important priorities to keep children safe and to reduce the over-representation of Aboriginal and Torres Strait Islander children in the child protection system, including supporting increased investment into Aboriginal and Torres Strait Islander Community Controlled Organisations (ACCOs), supporting the child and family services workforce, and improving data and full implementation of the Aboriginal and Torres Strait Islander Child Placement Principle.

**Safe and Supported** represents an important opportunity to increase the capacity across Australia to keep children safe and to reduce over-representation of Aboriginal and Torres Strait Islander children in child protection.

However, most of the initiatives agreed by governments have not been backed up with funding commitments. The Federal Government must show leadership and commit the resources that are needed to keep Aboriginal and Torres Strait Islander children safe and with their families.

Resources must be committed to ensure that a range of agreed initiatives succeed, including:

- Developing national design standards for delegation of child protection decision-making authority to ACCOs
- Implementing and building on the Early Childhood Sector Strengthening Plan
- Implementing a National Child and Family Investment Strategy, as well as implementing recommendations from the *Stronger ACCOs, Stronger Families* research project
- Creating workforce pathways for Aboriginal and Torres Strait Islander people
- Developing standards for full implementation of the Aboriginal and Torres Strait Islander Child Placement Principle to the standard of active efforts
- Collaboration with the disability sector to increase responsiveness of child & family sector to children, parents & carers with disability
- Scoping legal support needs for Aboriginal and Torres Strait Islander families involved in the child protection system, and implementation of the required support
- Evaluation and knowledge sharing initiatives for ACCOs
- Development of data capabilities and evidence

**Cost:** Approximately $110 million in 2023-24 in Federal Government funding across several activities and deliverables, with further state and territory commitments across several deliverables. Some activities are to be completed within a single year, while others will be recurrent or multi-year initiatives. Many activities and deliverables in the Action Plans for *Safe and Supported* first require scoping, modelling or other evidence to identify the specific resource requirements for these initiatives. SNAICC has estimated the development and implementation costs of some of the agreed activities and deliverables. Ongoing initiatives will require annual indexation of funding to CPI.

### 4. Create a new national program for Aboriginal and Torres Strait Islander-led prevention and early support

Support at an early stage to address challenges for Aboriginal and Torres Strait Islander families is essential to change the rates that Aboriginal and Torres Strait Islander children are being removed into out-of-home care. Federal, state and territory governments need to collaborate to deliver this support effectively for
Aboriginal and Torres Strait Islander families. A dedicated, national program to deliver early support to Aboriginal and Torres Strait Islander children and families, led by Aboriginal and Torres Strait Islander Community Controlled Organisations (ACCOs), is necessary to enable governments, services and communities to reverse the trend of increasing over-representation of Aboriginal and Torres Strait Islander children in out-of-home care.
Rationale:
All governments have committed to the target in the National Agreement on Closing the Gap to reduce the over-representation of Aboriginal and Torres Strait Islander children in out-of-home care by 45% by 2031. This target is not only off-track, but the rate of over-representation of Aboriginal and Torres Strait Islander children in out-of-home care is actually increasing. Our children are now 10.4 times more likely to be in out-of-home care than non-Indigenous children.[5] Large scale reform efforts and investments in healing and strengthening families are needed to turn this around. The Safe and Supported: National Framework for Protecting Australia’s Children 2021-2031 and the first Action Plans under the Framework prioritise a national approach to prevention and early intervention, however there is little activity to support this priority. Resourcing for the Framework is extremely limited and will not support the kind of prevention activity that is needed to achieve its intended outcomes.

Although there is strong evidence that early support is effective at supporting families to stay together safely, and at addressing underlying drivers of children being removed into out-of-home care, the vast majority of resources and effort in the child and family service system is focused on tertiary child protection intervention and out-of-home care.[6] So long as this is the case, child protection systems will not be equipped to meet the Closing the Gap target or to support children and families effectively.

The key drivers of child protection intervention sit across a broad range of federal and state responsibilities. These include intergenerational trauma, mental health concerns, poverty, family violence, housing and homelessness. Collective state and Commonwealth investment and effort is needed to address those drivers. At present, there are major gaps in availability and resourcing for early support services for Aboriginal and Torres Strait Islander children and families throughout the country. States and territories vary significantly in their funding and program arrangements for prevention and early intervention, family support and intensive family support services. In many jurisdictions the proportions of Aboriginal and Torres Strait Islander children and families accessing these services, and their investment in ACCOs, is disproportionately low compared to over-representation in out-of-home care.[7]

A significantly bolstered ACCO-led family services sector would provide families with culturally safe and responsive supports to address the barriers and challenges families experience in providing safe care for children. SNAICC estimates that approximately 130 ACCO providers (including regional offices of larger providers) are required to deliver quality family supports and begin to turn the tide on removals to out-of-home care. Family support providers are typically made up of a range of organisations with connected expertise across child protection, health, child development, and early education. There are significant opportunities to build on capacity already existing in these sectors to deliver the support Aboriginal and Torres Strait Islander families need to care for their children.

Cost: $80 million recurrent from the Federal Government, to be matched by state and territory governments, and indexed annually to CPI.
5. Establish a National Commissioner for Aboriginal and Torres Strait Islander Children and Young People

Aboriginal and Torres Strait Islander children need a dedicated Commissioner to highlight their needs and rights, and hold governments and other agencies accountable. A National Commissioner for Aboriginal and Torres Strait Islander Children and Young People, fully resourced and supported by legislation, will create mechanisms for Aboriginal and Torres Strait Islander children and young people to have a voice, and will have powers to ensure that agencies are upholding their rights.

Rationale:
A dedicated focus on advancing the rights of the current generation of Aboriginal and Torres Strait Islander children and young people is essential to end the intergenerational cycle of disadvantage and progress equality for future generations. Aboriginal and Torres Strait Islander children and young people often fall through the cracks of our federal system – children are negatively impacted by ‘buck passing’ between the federal and state and territory governments, as well as between government departments and agencies.
Dedicated Commissioners have already demonstrated success in multiple jurisdictions, assisting to identify and drive critical systems and practice transformation.
A national commissioner will play a vital role in providing a dedicated voice for Aboriginal and Torres Strait Islander children and young people and supporting strategies for more effective collaboration and coordination both between and within governments. They will be responsible for investigating and shining a light on key child rights issues, monitoring progress of reforms and brokering solutions to persistent failures to protect our children’s rights.

Around half of Australia’s states and territories have established or committed to establish a dedicated Commissioner for Aboriginal and Torres Strait Islander children, but there has been no commitment to create a national role to address the lack of accountability and coordination on these critical issues at the national level. SNAICC has undertaken extensive research in partnership with King and Wood Mallesons law firm to detail model options for establishing a National Commissioner role, providing a strong evidence base for the value of the role and guidance for next steps for implementation.

Cost: $2.5 million per annum, recurrent, indexed annually to CPI.

Focus area: Building the Aboriginal and Torres Strait Islander community-controlled sector

6. Invest in the viability and membership engagement capacity of SNAICC as Peak body, and national voice for Aboriginal and Torres Strait Islander children
Provide stable funding for SNAICC’s core functions and member engagement capacity

Rationale
The CtG agreement prioritises the need to change the way that Government works with Aboriginal and Torres Strait Islander people. A stronger Aboriginal and Torres Strait Islander (ACCO) sector is central to that necessary change and characterised as having peak bodies “governed by a majority Aboriginal and Torres Strait Islander board(s), which (have) strong governance and policy development and influencing capacity” and which have the capability and resourcing necessary to consult with Government and their membership around key issues such as development of funding models which are responsive to need and tailored to the service requirements of their members.

The CtG agreement also identifies the early childhood care and development as a sector which has the potential for positive change with the potential to impact a broad spectrum of CtG targets. SNAICC engages families, communities and their representative ACCOs to articulate the needs of children as nuanced policy options and advice to government. We participate in knowledge translation, sector development and the co-design and evaluation of policy, strategy and services. For Government needs stable and trusting relationships to meet its CtG targets for Aboriginal children and families, and honour its promises to share decision making with Aboriginal and Torres Strait Islander People. This requires stable, ongoing investment in the capacity and expertise of SNAICC staffing and in its member engagement capacity to ensure Aboriginal and Torres Strait participation in the co-design, delivery and evaluation of services and strategies that create positive change. Organisational capacity of
SNAICC as a peak body requires stable funding for staff involved in both program delivery, operational funding for functions such as member engagement and consultation and core funding for corporate services that underpin the stable operation of complex programs and networks of communication with national reach.

Cost: $2 625 400 per annum, recurrent, indexed to CPI

- Ibid
- SNAICC (2023 forthcoming) Stronger ACCOs, Stronger Families Report, Melbourne. Commissioned by the Department of Social Services.
- Ibid.
- UK Department for Education & Wave Trust (2013). Conception to age 2 – the age of opportunity. Surry, UK
- Ibid
- Nurturing care: promoting early childhood development (Britto et al., 2017; Sims & Brettig, 2018; SNAICC, c 2012a; Wise, 2013)