INQUIRY INTO THE PROVISION OF CHILDCARE

SUBMISSION TO THE SENATE EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS COMMITTEE

FROM

THE DEPARTMENT OF EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS

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Introduction

Australian families choose a mixture of formal (eg centre-based) and informal care (such as grandparents) to meet their child care needs.

The use of all kinds of child care has increased in line with the increase in female labour force participation in the past 20 years. Over the past decade the use of only informal care has decreased slightly and use of formal care has increased.

The most current ABS data available shows that in 2005, around 308,600 children aged 0-4 years were in informal care only, a further 170, 600 used a mix of informal and formal care, and 269,200 children were in formal care only.

For infants, the vast majority of parents use a combination of informal and parental care only. For older children, the mix of parental, informal and formal care is much more varied.

Parents who use formal child care use an average of between 18 and 23 hours, depending on the care type, per child per week.

Formal child care in Australia has always been provided through a combination of for-profit private business; non-profit community and voluntary organisations; and some state/local government providers. More than half the child care services in Australia are operated by small providers who have between 1 and 3 centres/services.

The expansion in the child care sector has been significant in the past two decades with the approved number of places increasing from 114,390 in 1989 to 700,314 in 2008, more than six-fold increase. Similarly, the number of approved services increased from 2,340 in 1989 to 11,595 in 2008, nearly a five-fold increase. Private providers have largely driven growth in the provision of long day care (LDC) in recent years.

In the past decade, the majority of this growth has occurred in LDC and Out of School Hours Care (OSHC). OSHC places experienced a four fold increase from 79,000 places in 1997 to over 318,000 in 2008. In this same time period, LDC places increased by 66 per cent, while Family Day Care places grew by 20 per cent. The number of places in approved Occasional Child Care (OCC) is capped and has therefore remained the same at around 3,000 during the period 1993 to 2008.

A collection of statistics relating to the current profile, historical growth and use of child care is available at Attachment A.

1. ABC Learning

This section of the submission deals with Term of Reference (a): the financial, social and industry impact of the ABC Learning Centres Ltd (ABC Learning) collapse on the provision of child care in Australia.

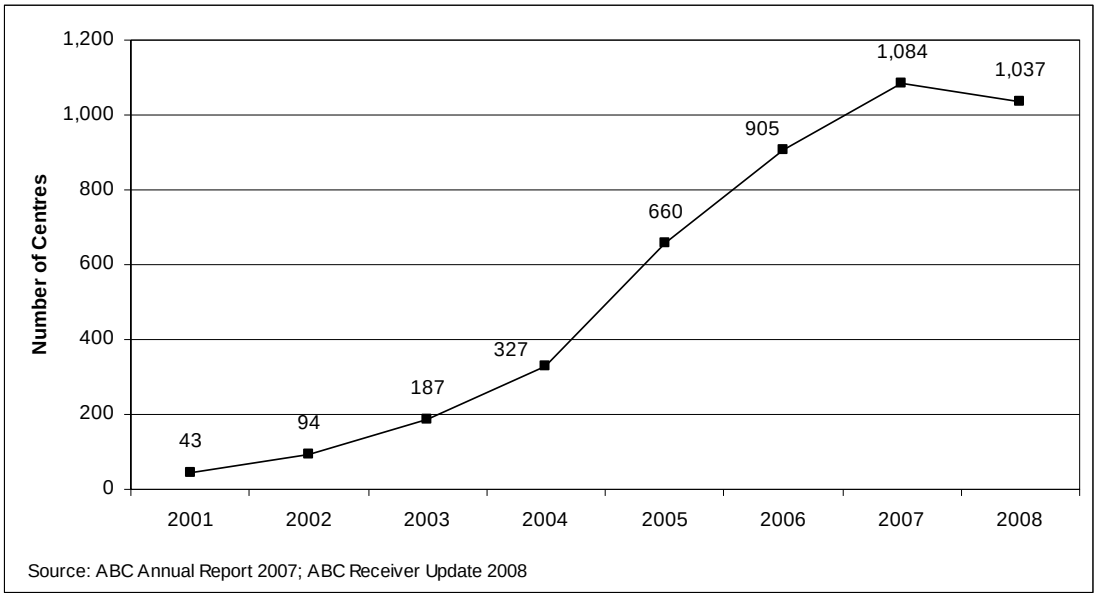
In so doing, it summarises the Government's response to the insolvency of ABC Learning and how this response has in fact minimised the financial and social impact of that event, and has created an orderly process for the child care industry to adjust to the insolvency.

1.1 Growth of ABC Learning

ABC Learning was the first of four child care operators to be listed on the Australian Stock Exchange (ASX) in 2001. ABC Learning Group acquired each of the other companies that listed in 2001 and remains one of three ASX listed child care providers in Australia.

The graph below demonstrates the growth in the number of ABC Learning Child Care Centres in Australia from 2001 to 2007. The company entered into an agreement in July 2007 to sell 45 of its childcare centres[1], which contributed to a reduction in the number of centres in 2008.

Graph 1: Number of ABC Learning Child Care Centres in Australia



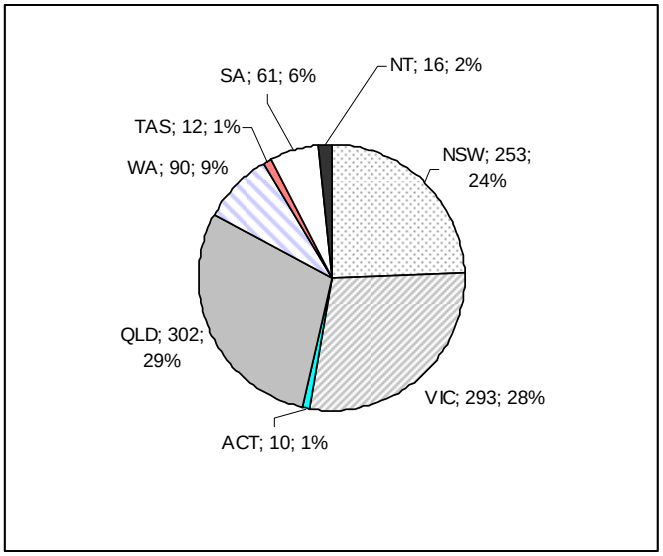
[1] ABC Learning Centres Ltd; 2006-07 Annual Report, Note 28: Subsequent events, page 99

1.2 Market share

In 2008, ABC Learning was the largest provider of child care and represented around 20 per cent of the long day care market in Australia, providing care to over 100,000 children. ABC Learning employed around 16,000 staff.

The distribution of centres was predominately in Queensland, Victoria and NSW (in that order), with the remaining states and territories having significantly smaller representation. The graph below depicts the pre-external administration market share of ABC Learning.

Graph 2: Distribution of ABC Learning Centres



Source: McGrathNicol

This same distribution is largely still in place today with some changes as a result of entering receivership (effectively 55 closed centres). Table 1 below depicts the distribution of ABC Learning centres post-external administration of the ABC Learning Group and post -appointment of the Court Appointed Receiver over ABC2 Group Pty Ltd (Government Supported centres). Table 1 incorporates data that shows by state; the remaining viable (on-going) centres, those with government support until 31 March 2009, Defence on-base centres and the 55 centres that closed on 31 December 2008.

Table 1: Distribution of ABC Learning centres by state

State	Total Centres	On going Centres	Government Supported Centres	Defence 'on-base' Centres	Closed Centres
New South Wales	253	154	89	6	4
Victoria	293	186	76	4	27
Queensland	302	254	37	3	8
Western Australia	90	55	21	2	12
South Australia	61	45	12	0	4
Tasmania	12	8	4	0	0
ACT	10	8	0	2	0
Northern Territory	16	10	2	4	0
Australia	**1037**	**720**	**241**	**21**	**55**

Source: McGrathNicol

1.3 Prior to ABC Learning's insolvency

During the course of 2008 media and market speculation intensified about the financial circumstances of ABC Learning. The fall in the company's share price, threats of legal action against the company, the departure of Mr Eddy Groves and Dr Le Neve Groves from the company and other developments have been well documented elsewhere. However, it is important to note that the company continued to operate until 6 November 2008, and on several occasions in advance of that time assured the Department and the broader community that it was intent on successfully trading its way through its difficulties.

Notwithstanding this, in the light of mounting evidence of financial and governance difficulties at ABC Learning, the Government ensured that appropriate governance arrangements were in place so that any response that may be required could be as well informed and rapid as possible. In particular, the Department established a small taskforce – The Child Care Industry Taskforce within the Department of Education, Employment and Workplace Relations (DEEWR). It was established on 24 September 2008 to manage the Department's inquiries into what was occurring at ABC Learning and to undertake contingency planning for the possibility of child care centres closing and/or the company's insolvency. An external insolvency firm, PPB Corporate Recovery (PPB), provided advice to the Taskforce. There were discussions between the Department and ABC Learning.

A Cross-Agency Steering Committee was also established to be chaired by the Secretary of DEEWR and included senior representatives from the departments of Prime Minister and Cabinet; Treasury; and Finance and Deregulation. The relevant Departmental Deputy Secretary and other senior officials also participated in the Steering Committee's deliberations.

The Steering Committee met for the first time on 10 October 2008 and, at time of writing, has met on seven further occasions. The Taskforce assists and provides advice to the Steering Committee.

Following the departure from ABC Learning of co-founders Mr Eddy and Dr Le Neve Groves, a new interim CEO (Mr Rowan Webb) was appointed on 30 September and Mr Matthew Horton, General Counsel and Company Secretary also joined the Board on an interim basis. ABC Learning failed to lodge its financial statements with the ASX by 31 October 2008.

1.4 Immediate response to ABC Learning's insolvency

On 2 November 2008, ABC Learning advised the Department that the company was likely to enter into voluntary administration during the week commencing 3 November 2008.

At this point, their banking syndicate indicated to the Department that they would appoint a receiver to ABC Learning if the company did enter into voluntary administration. It became apparent at this point that there was a real risk that around 400 ABC Learning centres could have ceased operating at the commencement of the receivership had normal commercial processes taken their course. The banks and their advisors had established that, although the information available to them was imperfect, a significant number of ABC Learning centres were loss making and, in order to stem the already significant financial exposure of the banks, they would ordinarily have been closed. This would have been catastrophic for tens of thousands of children and their families, as well as many ABC Learning employees, and would have had a significant economic and social impact.

The voluntary administrator (Mr Peter Walker of Ferrier Hodgson) was appointed by the Directors of ABC Learning on 6 November. The receiver (Mr Chris Honey, Mr John Cronin and Mr Murray Smith of McGrathNicol) was appointed by the banking syndicate of ABC Learning on the same day.

On 7 November 2008, following discussions with ABC Learning's banks and the ABC Learning Receiver, McGrathNicol, the Government announced that up to $22m, plus costs for the Receiver, would be made available to keep open those centres considered to be loss making until 31 December 2008 (around 400 centres), allowing time for the Receiver to make detailed assessments of the viability of the centres. At time of writing, $4.1 million had been spent, with approximately a further $10m expected to be provided to the Receiver, subject to verification.

Importantly, too, this created space for the Receiver to carry out a proper assessment of the viability of each centre, through an analysis of the very complex records of ABC Learning. PPB, on behalf of the Department, worked closely on this matter with the Receiver so as to ensure not only that the Government's expenditure on loss making centres was accurately

verified but also to assist the Department gain a clearer understanding of the prevailing circumstances.

In light of the ABC Learning insolvency, it became apparent during November 2008, that at least some of the ABC Learning centres were likely to require new owners. In this context, the Government announced that although a sale process had not yet commenced, the Receiver was accepting expressions of interest from various parties. This generated a very substantial flow of expressions of interest in acquiring ABC Learning centres. (By the end of 2008, around 3,300 people or entities had made an expression of interest to the Receiver.)

In the weeks following the commencement of the insolvency, the Receiver assessed the viability of the ABC Learning centres. By 26 November 2008 they were able to identify 656 centres which could be expected to operate into 2009, which provided certainty for families and employees at around two thirds of the centres. By 10 December 2008, the Receiver was able to identify 720 centres which could be expected to operate into 2009.

The Receiver announced that 55 centres would close on 31 December 2008, as there were suitable alternative centres close by. All children were offered alternative places at a nearby ABC Learning centre, and the majority of staff were redeployed.

1.5 Future of ABC Learning's residual centres: court appointed receiver

On 10 December 2008, the Government announced additional funding of up to $34m to keep open into 2009 the residual 262 centres that were judged by the Receiver to be unviable under the ABC Learning business model, but for which no immediate solution had been identified.

In addition, the Government announced that it would seek the appointment of a Court Appointed Receiver (CAR) to resolve the future of the operation of the remaining 262 centres so that a further orderly process could be conducted to deal with those centres while minimising disruption for families and employees. The 262 centres comprised 228 "standard" ABC Learning centres; 21 ABC Learning centres that operate on Defence force bases; and 13 centres formerly operated by 123 Operations (which is also insolvent) but which were branded as ABC Learning centres.

Under the proposal, the CAR would assume responsibility for these centres, while they remained within the ABC Learning group company structure, but would sit outside the original ABC Learning receivership process.

On 19 December 2008, the NSW Supreme Court appointed a Receiver (PPB) to this group of centres, which commenced operation on 1 January 2009.

The CAR is examining all options to ensure as far as possible the provision of sustainable, high quality child care is available for Australian families who are impacted by the insolvency of ABC Learning.

At time of writing, the CAR has commenced the EOI process, and is in discussion with the landlords who own the land and centres from which ABC Learning operates. The CAR will also be considering whether there are some circumstances where the best option is to transfer children to nearby centres.

Centres that fall under the responsibility of the CAR will continue to operate as normal through until 31 March 2009 where necessary, while long term solutions for all of the affected families are being sought.

The CAR has advertised for formal expressions of interest (EOI) for parties interested in obtaining those child care centres that are now the CAR's responsibility.

The Government is funding the CAR, and it has provided suggested criteria to help guide the CAR's process of dealing with the disposal of the centres for which they are responsible. The criteria are:

i. delivery of high quality early learning and care programs in a child care setting which will meet the needs of the local community;
ii. demonstration that the organisation has the capacity to successfully manage the operation of early learning and care centres while delivering high quality early learning and care programs;
iii. demonstrated need/demand for the proposal;
iv. financial viability and sustainability of the proposal;
v. demonstrated ability to meet all requirements of workplace relations and occupational health and safety law;
vi. contribution to the diversification of long day care provision in Australia, noting the opportunities this will represent for a diverse range of potential organisations of different size and character and the desirability of having one or more not-for-profit organisations operating at economic scale; and
vii. demonstrated commitment to adopt leading-practice employment approaches, as indicated by preparedness to take on accrued employee entitlements of former ABC Learning employees, commitment to training and staff development.

The Government has proposed to the CAR that the first five of the criteria be regarded as mandatory, and criteria vi and vii be regarded as desirable.

Parties interested in ABC2 group centres were required to lodge an expression of interest with the CAR by 21 January 2009, and provided they sign confidentiality agreements and pay a fully refundable $500

deposit, they are able to access high-level information on each centre via a secure on-line data centre.

Once they reviewed this information – and believe they meet the requirements - interested parties had until 31 January 2009 to submit non-binding offers. The CAR is assessing these offers using the selection criteria, with assistance from the Department, and the CAR will determine a shortlist of interested parties. Shortlisted parties will be given access to more detailed information on centres and be expected to submit formal (binding) offers by 25 February 2009. At the time of writing 470 non-binding bids had been received.

Successful offers will be subject to licensing requirements being satisfied and acceptance by the CAR, landlords or in respect of the purchase of fittings McGrathNicol or the liquidator of 123 (as appropriate).

It is important to note that it is the CAR's task to determine specific outcomes for each centre, with regard to not only the Commonwealth's objectives, but also to their obligations under s420 of the Corporations Act.

The powers and duties of the CAR are governed by the Corporations law, except to the extent they are amended by the Court Order of appointment.

Pursuant to the agreement between the CAR and the Commonwealth, the proceeds of the sale of the ABC2 Group centres will revert, in the first instance, to the Commonwealth up to the funds expended between 1 January and 31 March 2009.

1.6 Employee entitlements

Any employee of ABC Learning who is left without a job since commencement of the receivership will be eligible for the General Employees and Entitlements Redundancy Scheme (GEERS) program.

Under GEERS employees who make a claim, may be eligible to receive assistance for unpaid wages for the three months prior to the appointment of an insolvency practitioner, all unpaid annual leave, all unpaid long service leave, up to a maximum of 5 weeks unpaid payment in lieu of notice and up to a maximum of 16 weeks of redundancy pay. The Department is working closely with the Receiver and Voluntary Administrator of ABC Learning to ensure that GEERS claims are processed as quickly as possible. Most employees from the 55 closing centres were offered positions at nearby ABC Learning centres.

1.7 Future of the profitable ABC Learning centres

At the time of writing, the ABC Learning Receiver, McGrathNicol, continues to have responsibility for determining the future of the 720 centres that were assessed by him to be viable and these centres continue to operate.

No sale process has commenced but it is understood that interested parties will be notified as and when this changes.

1.8 Conclusion

The insolvency of ABC Learning could have created widespread and sudden disruption in the provision of services to families through the child care market. Although much work remains to be done to resolve the future of ABC Learning's child care centres, an orderly process is underway to achieve a satisfactory resolution, during which child care continues to be provided for affected families.

2. Role of Governments

2.1 Historical overview

The Commonwealth Government first became financially involved with child care in 1972. The *Child Care Act 1972* provided funding for non-profit organisations to operate centre-based day care facilities for children of working and sick parents. Funding was provided for capital and recurrent purposes as well as for research into child care. Funds were allocated on the basis of submissions from community groups.

In 1974, the Commonwealth decided that child care support should go to all children and not just to children from families that were in financial need. In the mid 1970s, the Commonwealth assistance was broadened to include FDC, OSHC, and play groups.

During 1983 to 1985, the Commonwealth in conjunction with the states and territories provided funding to establish an extra 6,120 child care places. Under the arrangements, the Commonwealth and the states provided capital funding and the Commonwealth provided recurrent funding.

In 1984, standardised fee relief for children in non-profit centre-based LDC centres was introduced, and fee relief became the main avenue through which the Commonwealth supported child care. Further expansion of child care system occurred between 1985 and 1987 including around 11,000 new centre-based LDC places, 5,650 FDC places, and 2,400 OCC places funded from a mixture of Commonwealth and state/territory funding.

In 1988 the Commonwealth announced the National Child Care Strategy to provide 30,000 child care places through cost-sharing arrangements with the states and territories. In 1990, this was expanded to allow an additional 50,000 places to community sector providers.

From 1991, fee relief was extended to commercial child care services resulting in a significant increase in the number of LDC places. Unlike, community operators, commercial centres did not receive any operational funding from Government.

In 1994, under the New Growth strategy, the Commonwealth provided funds to local government and community organisations to increase the number of work related child care places. In the same year, the Government introduced the Quality Improvement and Accreditation System for LDC and the Childcare Cash Rebate (CCR). The CCR was paid to families to help them with the cost of work related child care expenses.

Major changes to child care were introduced in 1996-97 Budget including:

- the removal of operational subsidies for community owned LDC centres. This was to remove inequities in government assistance to families using private and community based services;
- the limiting of fee relief to 50 hours per week per child; and
- the reduction of the CCR from 30 per cent to 20 per cent for families above certain income thresholds (e.g. $70,000pa for family with 1 child).

The removal of operating subsidies to non-profit services was to be offset by benefits from increased direct payments to low and middle income parents through CCB. However, the removal of subsidies for community child care centres occurred in July 1997, well before the introduction of CCB in 2000 and forced some community centres to close while others reduced place numbers and/or increased fees.

In 1997-98, limits were imposed on the number of new LDC places in the private sector due to low demand and oversupply of places. Child care places were uncapped for LDC services in 1999.

In 2000-01, the CCB was introduced to replace both the fee relief (Childcare Assistance) and CCR. Other initiatives included:

- In-home Care (IHC);
- Quality assurance for FDC; and
- Long Day Care Incentive Scheme to provide incentives to encourage private operators to establish child care centres in rural areas where there was unmet demand.

Quality assurance for OSHC commenced in 2003 and restrictions on the number of FDC and OSHC places were removed in 2006.

Attachment B provides a timeline of key policy changes since 1984.

2.2 Regulatory frameworks for child care

States and territories regulate child care through their own licensing systems. Child care and related legislation in states and territories provide a legal 'floor' below which prescribed services are not permitted to operate.

Licensing regulations typically require minimum standards to be met to ensure the provision of safe, nurturing and developmentally appropriate care environments for children. They include factors such as suitability requirements of licensees, the physical environment, health and safety, operational requirements, range of equipment, number and ages of children, number and qualifications of staff, and programs to be provided.

State and territory governments have responsibility for setting licensing requirements for children's services and monitoring adherence to these requirements. They also undertake activities to promote quality, for

example, through consumer education and the publication of curriculum materials and other resources that identify and support good practice. The Commonwealth has no formal responsibility for monitoring requirements of state and territory licensing systems, noting however that a service must have passed state or territory licensing requirements to be eligible for CCB.

The types of services covered by licensing legislation can vary between states and territories.

Since 1993, the Commonwealth, state and territory governments have jointly agreed to national standards for centre-based LDC, FDC, and OSHC services. These national standards have been in place for centre-based LDC since 1993, and for FDC and OSHC since 1995. The national standards deal with issues such as health and safety, staff-child ratios, curriculum and programming, facilities and qualifications of staff. Given that such standards are fundamental to the provision of a quality service, for children of any age, provided in any setting, there is a high degree of consistency in the standards across the three service types.

However, the implementation of these national standards is varied across jurisdictions. There are considerable differences in the licensing and regulatory requirements between states and territories. For example, the ACT does not licence In-Home Care, while most other states do. On the other hand, in the ACT all services are visited three to four times a year with at least one unannounced visit, whereas unannounced visits (spot checks) are not as regular in many jurisdictions.

Child care services not complying with the licensing requirements could have their licenses suspended or revoked by the relevant state or territory agency. Also, the licences cannot, generally, be transferred between owners and that each owner needs to apply for a licence.

State and territory licensing vary in their requirement to address aspects of childcare related to the emotional and educational development of the child. These are covered by the quality assurance systems administered by the Commonwealth through the National Childcare Accreditation Council (NCAC). State and territory governments have no formal responsibility for monitoring compliance with these quality assurance and accreditation requirements.

All approved child care services receiving Commonwealth government subsidies (e.g. CCB) are required by legislation to participate in quality assurance by registering with the NCAC and meet the accreditation standards. There are currently separate quality assurance (QA) systems for each service type - LDC, FDC and OSHC. The NCAC is responsible for the implementation and administration of the QA systems. All FDC, LDC centres and OSHC services are required to register with the NCAC and meet the requirements of the appropriate QA system in order to be eligible to receive the CCB.

The Commonwealth Government has strengthened the compliance system around CCB through additional measures in the *Family Assistance Legislation Amendment (Child Care Budget and Other Measures) Act 2008*. This included broadening of the civil penalties and infringement notices scheme to allow more flexibility in imposing penalties on non-compliant service operators. Previously, action that could be taken against child care service operators was limited, and the available sanctions had the potential to impact directly on children and parents. Civil penalties offer a course of action that send a strong message of deterrence and are designed to discourage child care services from undertaking or continuing non-compliant behaviour.

Processes for implementation are being finalised and services have been advised of their obligations under the new legislation. It is expected the Department will be in a position to issue infringement notices in the coming months.

The Commonwealth continues to provide information on the statutory obligations and compliance requirements for child care services through the Child Care Service Handbook and fact sheets; and training through state and territory based compliance officers.

The Commonwealth and state and territory governments have committed to jointly develop a National Quality Framework that will raise the quality and drive continuous improvement in early childhood education and care services. The key elements of the National Quality Framework will be national quality standards, a quality rating system, enhanced regulatory arrangements, and an early years learning framework.

The Commonwealth Government is working closely with the state and territory governments to identify options to streamline licensing, regulatory and accreditation systems. The development of a single set of national quality standards for early childhood education and care services aims to combine areas such as processes for quality and accreditation (generally a Commonwealth responsibility) together with licensing and other requirements (areas for which the states and territories have responsibility).

The new regulatory initiatives are aimed at minimising duplication, reducing the administrative burden on service providers and improving the efficiency and effectiveness of the system. The development of the new standards will also consider the key drivers of quality of care such as staff-to-child ratios, group size, the use of the Early Years Learning Framework in the educational program for children, and the educational qualifications of the workforce.

The new standards system will also focus on other key aspects of quality such as leadership and management, relationships between staff and children, family and community partnerships, differentiated play-based curriculum, physical environment and staffing requirements and arrangements. Existing health and safety requirements would also be

covered, as well as physical requirements such as space, design and layout.

Extensive public consultations during August and September 2008 revealed strong support for a nationally consistent approach to licensing and accreditation of early childhood education and care services. The summary of the outcomes of the consultations "First wave of public consultations on reform proposals, August and September 2008 – Summary of outcomes" is available at the DEEWR website. Work to progress the development of the national quality standards is being progressed through COAG processes.

2.3 Training and qualification requirements for child care workers

The Productivity Commission's *Report on Government Services 2008* note that there were around 85,000 child care workers across Australia in 2006, and that this workforce is relatively young (median age 32 years) and mostly female (96%). Approximately one half of child care workers work on a part-time basis, more than twice the rate of part-time employment compared with all other occupations.

Table 2: Age profile of child care workers compared with all occupations

Age group	Child care workers (per cent)	All occupations (per cent)
15-19	10.5	6.9
20-24	20.3	10.7
25-34	22.9	21.7
35-44	19.0	23.2
45-54	18.7	22.2
55-64	7.7	12.9
65+	1.0	2.5
Total	*100.0*	*100.0*

Source: Australian Government Job Outlook website (average for the year to August 2008)

Child care workers have a relatively low qualifications profile. Around 40% of LDC workers and almost 70% of FDC carers have no post-school early childhood qualification. Over one quarter of the workforce has less than three year's relevant experience.

Table 3: Qualification and experience profile

Qualification and experience	**Number**	**Per cent**
Relevant formal qualification	50,319	59.1
No relevant formal qualification:		
3 years or more relevant experience	11,501	13.5
Less than 3 years relevant experience	23,282	27.4
Total	*85,102*	*100.0*

Source: Productivity Commission Report on Government Services 2008, Table 3A.13

For those with a qualification, the majority hold a VET qualification. FDC workers have lower qualifications compared with long day care workers.

Table 4: Level of qualification by care setting

Level of qualification	Long day care (per cent)	Family day care (per cent)
Bachelor Degree or higher	14.6	7.2
Diploma or Advanced Diploma	45.0	18.2
Certificate III or IV	33.5	39.1
Certificate I or II	6.9	35.5
Total	*100.0*	*100.0*

Source: 2006 Australian Government Census of Child Care Services, weighted data

The Commonwealth Government takes a lead role in promoting a post-school education and training system that is nationally consistent and coherent; responsive to individual, industry and community needs; and recognised as providing quality outcomes. To achieve this, the Commonwealth Government works with state and territory governments, education and training providers, and industry.

The vocational education and training (VET) sector develops nationally agreed standards and qualifications through an extensive national consultation process with industry, state and territory training bodies, regulators, training providers and other stakeholders. These nationally agreed standards and qualifications are contained in Training Packages. Training Packages describe the skills and knowledge that individuals need to attain to perform a job or role effectively in the workplace. Training Packages also provide a nationally consistent basis for the recognition and assessment of people's skills and knowledge. Training Packages do not describe how an individual should be trained. Teachers and trainers develop learning and assessment strategies that address the learners' needs, abilities and circumstances.

Within the VET system the Australian Quality Training Framework (AQTF) sets out a national set of standards which assures the delivery of nationally consistent, high-quality training and assessment by Registered Training Organisations (RTO). All RTO delivering child care qualifications follow the requirements set out in the nationally endorsed Community Services Training Package CHC08.

There are seven qualifications directly related to child care which are contained within the Community Services Training Package CHC08. These include:

- Certificate III in Children's Services
- Certificate IV in Children's Services (Outside school hours care)
- Diploma of Children's Services (Early childhood education and care)
- Diploma of Children's Services (Outside school hours care)
- Advanced Diploma of Children's Services
- Certificate IV in Children's Contact Services Work; and
- Diploma of Children's Contact Services Work.

Across Australian states and territories, the qualification requirements and competencies required to work in child care centres varies and is determined by each state and territory government.

The Australian Government's Productivity Places Program (PPP) will deliver an additional 701,000 training places over five years in areas of skills shortage, including child care, to ensure that Australian workers develop the skills they need.

These training places will be delivered in an industry-driven system, ensuring that training is more responsive to the needs of businesses and participants The PPP provides training places in a range of qualifications in child care occupations at Certificate II, III, IV and Diploma levels.

The Australian Government has provided $60.3 million to support an expected 8,000 people, including existing child care workers, to gain a vocational education and training qualification in early childhood. The funding will be used to remove regulated course fees for child care diplomas and advanced diplomas, delivered by a TAFE institute or other government training provider, from 2009.

Also being developed, with the state and territory governments, is a National Early Years Workforce Strategy. The Strategy will complement, and build upon, existing Commonwealth, state and territory government measures aimed at improving the supply of the early childhood education and child care workforce.

2.4 Information for parents

The Child Care Access Hotline was created in November 1997 to provide information on child care services, types of care available, and government help with the cost of child care. From July 2006, the hotline also provides advice to parents on potential vacancies within a specific area. The vacancy reporting system provides information on individual services at the local level but does not deliver aggregated information at a regional, state or national level.

The system does not account for the fact that different services count vacancies in different ways so any reporting of local, state or national number would be neither valid nor reliable.

The vacancy reporting model is based on information provided by individual services, without a clear definition of vacancy or any process of verification meaning different services can report the same information in different ways, depending on how they operate.

For instance, one service may decide that having three hours available in an afternoon for a four year old counts as a vacancy while another service with the same free space in the afternoon would only provide vacancy information for a whole day. Meaning the two services provide a different response on the same situation.

Providing even greater information to parents is part of the Government's comprehensive plan to deliver high quality, affordable and accessible child care for Australian children. The type of information provided focuses on explaining child care assistance payments, service types, fees, and the Quality Assurance framework.

The website mychild.gov.au was launched on 22 October 2008. It provides information to families on different types of child care, how to access assistance with the cost of child care, as well as a searchable database of local child care services. Any child care provider on mychild.gov.au must also provide information about their fees.

As of 5 January 2009, fee information has been published in the mychild website for 7,827 services, representing 67 per cent of all Child Care Benefit approved services (excluding Vacation care). This includes fee information for 4,253 (67 per cent) of LDC services. As the Government continues to develop the mychild website, more reliable information for parents about fee increases, vacancy data and service quality will also be made about individual child care services.

The Government will make more reliable vacancy information available to parents on mychild.gov.au but only after the ground work has been done to ensure the data is accurate and useful.

The Government will continue to work closely with the child care sector and parents to determine an effective model of reporting that is beneficial and minimises the industry reporting burden.

The NCAC also provides information for families looking for child care or seeking information about their service's accreditation. The NCAC website also contains a child care search facility which contains information on the accreditation history for each service participating in the Quality Assurance system.

2.5 Support for families

Currently, CCB and CCTR are the primary forms of Government subsidies to assist families in meeting the cost of child care.

2.5.1 Child care benefit (CCB)

CCB is a means-tested payment available to families using either approved or registered care to help eligible families with the cost of child care.

To be eligible for CCB, the following minimum conditions must be met:

- use approved or registered child care;
- at least one parent living permanently in Australia;

- must be either an Australian citizen, a New Zealand citizen, the holder of a permanent visa, the holder of certain temporary visas, an Australian Government sponsored student or in other special circumstances;
- the child is immunised or exempt from the immunisation requirements, and;
- person claiming CCB is liable for child care fees for the child.

CCB payments are based on a family's annual income and to receive the maximum rate of CCB, the combined family income must be less than $36,573 a year.

No CCB is payable if the family income is above the threshold of $126,793 for 1 child in care; $131,457 for 2 children in care; and $148,452 plus $28,028 for each child after the third child.

Approved care covers child care services approved by the Government because they meet certain quality standards and operating requirements. Registered Care has no such requirements. Most families, around 95 per cent, using approved child care receive this subsidy as a fee reduction at the time they pay their fees. Some receive it as a lump sum at the end of the year. Families who choose to receive CCB as a fee reduction will only have to pay the service provider, the difference between the full fee and the amount of CCB, which is referred to as the gap fee.

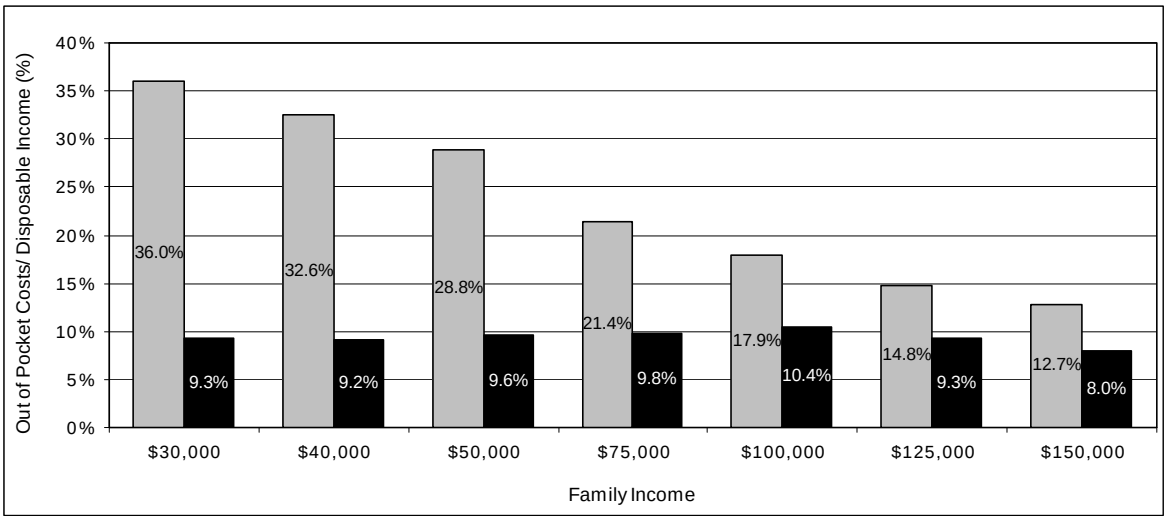
2.5.2 Child care tax rebate (CCTR)

In 2004, CCTR was introduced to improve child care affordability by paying 30 per cent of the out-of-pocket cost of child care for working families. Gap fees or an out-of-pocket expense is the difference between the fees and the CCB.

Although CCTR was introduced in 2004, payments in respect of the 2004-05 CCTR entitlements commenced only in 2006-07 upon lodgement of income tax returns, and thereafter families had to wait for at least 12 months to receive the CCTR payment. In the 2007-08 Budget, CCTR changed from being a tax rebate to a Government administered outlay. This meant that families with no tax liability were also eligible where previously they were not. Families could therefore receive CCTR payments without having to wait for the lodgement of their income tax returns.

CCB and CCTR payments have together helped reduce the net out-of-pocket costs for families significantly. Graph 3 below compares out-of-pocket costs as a proportion of net family income, with and without government's child care assistance (CCB and CCTR), for families with various income levels, having 1 child in care for 50 hours per week in 2007-08. The CCB and CCTR payments provide significant benefit to low and middle income families and substantially reduce the proportion of disposable income spent on child care.

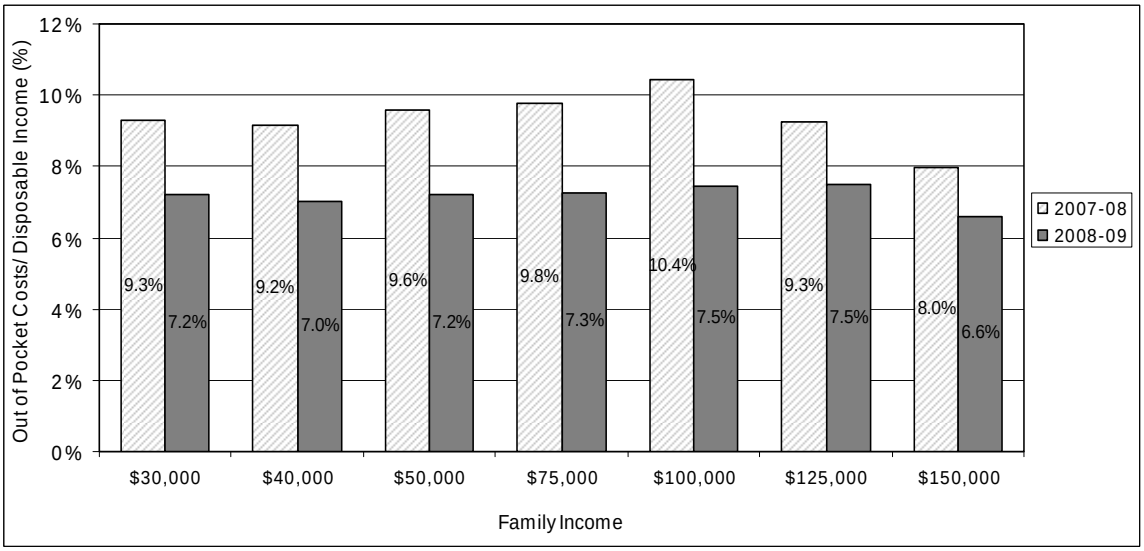
Graph 3: Out-of-pocket costs as proportion of disposable income, with and without CCB and CCTR - 2007-08



Source: Centrelink Administrative Data

The 2008-09 Budget increased the CCTR from 30 per cent to 50 per cent, and increased the maximum rebate from $4,354 to $7,500 per child from 1 July 2008. Graph 4 compares out-of-pocket costs as a proportion of net family income for 2007-08 and 2008-09 for families with various income levels, having 1 child in care for 50 hours per week. The graph shows that child care affordability has improved even further.

Graph 4: Out-of-pocket costs as proportion of disposable income, 2007-08 vs 2008-09



Source: Centrelink Administrative Data

The 2008-09 Budget also provided for the CCTR to be paid quarterly, providing more timely assistance for families. As the majority of child care services report the use of child care on a quarterly basis, the payment of the CCTR on an equivalent timeframe was recognised by the current Government as feasible and appropriate. The first quarterly payments started in October 2008. Families still have the option to receive their CCTR as an annual lump sum.

CCTR is not income tested and assists parents or guardians who are working, studying or training with their out-of-pocket child care expenses for approved child care. CCTR is not available for those using registered care (refer to Section 0 below).

Access to CCTR is based on CCB entitlement. To receive the CCTR as a quarterly payment, the family must be eligible for CCB and CCB must be claimed as reduced fees (even if the CCB entitlement is zero due to income). If the family chooses to claim CCB as a lump sum payment, CCTR entitlement will not be paid until the end of that year and is subject to determining the CCB entitlement.

The CCTR payments for first three quarters will be paid based on the provisional CCB entitlement. At the end of the financial year, the CCTR will be reconciled against the actual income and adjusted for the financial year. Payment of the last quarter of the CCTR will be "held" until CCB reconciliation occurs (when the tax returns have been lodged and all the child care usage/attendance information has been received). This will then be used in any adjustments as part of the reconciliation. The CCTR entitlement is paid directly into a family's bank account by the Family Assistance Office.

2.5.3 Registered care

Registered care is when parents pay registered carers such as grandparents, relatives, friends or nannies. This can include some private preschools, kindergartens and outside school hours care services. Carers must be registered with the Family Assistance Office.

There is no income test for registered child care. Families are eligible for up to $29.05 a week for each child using 50 hours of registered child care.

2.5.4 Grandparent CCB (GCCB)

To assist grandparents with the costs of child care, Grandparent Child Care Benefit (GCCB) is available to eligible grandparents caring for their grandchild and who are in receipt of an Income Support Payment. GCCB covers the full cost of child care for up to 50 hours for each child in approved care. In certain circumstances the grandparents may be able to get GCCB for more than 50 hours per week.

Grandparents must be the sole or major provider of ongoing care for their grandchild, meet Child Care Benefit eligibility requirements and receive an income support payment from Centrelink or the Department of Veterans' Affairs.

2.5.5 Special CCB

Special CCB can cover the full cost of child care fees for eligible families or a part thereof. SCCB claims are service-initiated and can be approved for an initial period of 13 weeks. Once the 13 weeks are exhausted, Centrelink can extend the period, if required.

There are two categories of SCCB:

- Hardship – a family is faced with an event that significantly reduces their ability to pay the child care fees normally charged; or
- At Risk – a child is at risk of serious abuse or neglect and it is in the child's interests to receive approved child care.

2.5.6 Jobs, education and training child care fee assistance

Jobs, Education and Training Child Care Fee Assistance (JETCCFA) provides extra help with the cost of approved child care for eligible parents undertaking activities such as job search, work, study or rehabilitation as part of an activity agreement, to help them enter or re-enter the workforce.

JETCCFA covers most of the child care costs. From 1 July 2008 eligibility for JETCCFA has increased from up to 12 months of full-time study, regardless of the course duration, to up to 24 months. Assistance is available for part-time study and training.

2.5.7 Adult migrant english program (AMEP)

The Adult Migrant English Program (AMEP) provides free English language training to eligible, newly arrived migrants and humanitarian entrants to Australia (through the Department of Immigration and Citizenship). Free child care for under school age children is available while studying under the program.

Further details on eligibility, income assessments, and entitlements for CCB and other child care payments to families are provided in the Commonwealth Government publication *Child Care Service Handbook 2008-09* at Attachment C.

2.5.8 Home interaction program

A major new initiative of the Commonwealth is the support for parents through the Home Interaction Program. In partnership with the Brotherhood of St Laurence, the program will be established in fifty communities, supporting at least 3000 families. This two year program for three to five year old children from disadvantaged backgrounds is an element of the Government's education policy commitment and provides

home tutoring, books and educational resources to help parents prepare their children for school.

2.6 Support for services

Child Care Services Support Program (CCSSP) is the major program to support non-profit and for-profit child care services to improve access for children with special and/or additional needs and support the sustainability of child care in areas and/or circumstances where services would not otherwise be available. Payments under the program are made directly to providers including states, territories and local government organisations.

As at January 2009, total funding available under CCSSP for 2008-09 was around $450 million. The main sub-elements of the CCSSP are Universal Access to Quality Early Childhood Education; National Early Years Workforce Strategy; Child Care Quality Support Program; Inclusion and Professional Support Program (IPSP); and Community Support Program (CSP).

CSP provides funding to increase access to child care services for families in identified areas of need where the market would otherwise fail, especially rural and remote areas.

There are three main streams of the Community Support Program:

- Establishment Sub-Program – encourages child care providers to establish eligible services by assisting them to meet start-up expenses;
- Sustainability Sub-Program – supports continued access to child care by providing ongoing operational subsidies to eligible CCB approved services;
- Budget Based Funding – a payment to assist non-CCB services with the costs associated with operating a child care program.

The aim of the IPSP is to promote and maintain high quality care and inclusion for all children in eligible child care services, by increasing the skill level of carers and service staff. The program gives child care services access to the professional support to build their skills; and supports child care services to provide quality child care and include children with additional needs in quality child care; and meet accreditation requirements.

Details on each of these programs and their components are provided in the Commonwealth Government publication *Child Care Service Handbook 2008-09* at Attachment C.

The Commonwealth Government has also committed to establish up to 260 additional Early Learning and Care Centres in areas of unmet demand for child care. These centres will provide integrated early learning and

care in a long day care setting that takes into account the specific requirements of the local community.

The initiative is to be delivered in two phases. In phase one, the Government has allocated $114.5 million over four years in the 2008-09 Budget to establish the first 38 centres in priority locations (including six Autism specific centres). The funding includes both the capital costs ($64.6 million over 2 years) and the ongoing costs of establishing additional child care places, including CCB and CCTR. The locations for 33 of these centres (including one Autism specific centre) were announced during the federal Election campaign. The sites for the remaining 5 Autism specific centres have since been announced.

The Government is carefully considering how best to deliver early learning and care in each location on a case by case basis. This analysis will take account of the recent market developments in child care, including the outcomes of the work being undertaken by the Court Appointed Receiver for the ABC2 Group.

The remaining up to 222 early learning and care centres will be considered when the child care market is settled and in light of the experience of the priority centres.

A number of other programs to support early childhood development receive funding from the Commonwealth. Details on some of these programs are at Attachment D.

2.7 Child care management system (CCMS)

CCMS is a national child care computer based payment system currently being rolled out to all approved LDC, FDC, OSHC and OCC services. The CCMS is being implemented progressively from January 2008 and will be completed by 30 June 2009.

CCMS provides details of child care benefit entitlements, and child care supply and usage, to families, services and the Government.

CCMS will bring all approved child care services online to standardise and simplify the administration of Child Care Benefit (CCB). CCMS will also enable parents to access an online statement from the Family Assistance Office to obtain details of the CCB payments made to child care services on their behalf.

Under CCMS, services provide information to DEEWR for all children in care. DEEWR passes relevant information on to the FAO who calculate CCB entitlement and return a response to DEEWR. Payments are then processed by DEEWR and sent to services' bank accounts.

Introduction of CCMS will change the current advance acquittal cycle to a weekly or fortnightly arrears model based on actual attendance data. Payments are made within 3 business days of receiving attendance data.

To ensure services viability and cash flow are not compromised in moving from the advance acquit cycle to the payment in arrears model under CCMS, the Commonwealth provides LDC services an optional enrolment advance of $128.75 per enrolment for CCB Eligible families. The service retains this advance until the child leaves care at the service. The Enrolment Advance is recovered from CCB Payments to the service, or in the event of a closure or cancellation of approval, by debt recovery action.

3. National Authority to Oversee the Child Care Industry

There is currently a national body, NCAC, responsible for the implementation and administration of the Commonwealth Government's Child Care Quality Assurance (CCQA) systems for child care services across Australia.

NCAC is funded by the Commonwealth Government to administer its CCQA systems, including:

- making accreditation decisions;
- visiting services to assess whether they are meeting quality indicators as part of the accreditation decision process;
- undertaking random unannounced spot checks of services to ensure they are meeting quality standards between accreditation visits;
- producing resources for the sector to assist them in understanding and meeting CCQA requirements;
- communicating with parents and the sector to raise awareness of the CCQA systems;
- liaising with Professional Support Coordinators to provide information on services that require assistance in meeting the quality standards; and
- handling complaints from parents and staff about quality issues.

All LDC centres, FDC schemes and OSHC services, regardless of the type of operator, are required to register and satisfactorily participate in the CCQA systems in order to be eligible for approval for CCB, and thus CCTR.

The NCAC provides regular reports listing services that do not satisfactorily meet quality standards to DEEWR. Services are also reported for failure to pay new or annual registration fees, failure to submit a self-study report or refusing entry to a NCAC validator for the purposes of conducting a spot check or validation visit.

The Secretary of DEEWR may impose sanctions on a service that has failed to provide quality care. Sanctions may include suspension or cancellation of a service's approval for CCB purposes.

The implementation of the National Quality Framework will include streamlined regulatory arrangements, which may impact on the functions and role of the national body, as duplication and overlap with the state and territory regulatory systems will be reduced.

GLOSSARY

There are a number of different types of child care provision.

- *Long Day Care (LDC)* – a centre-based form of child care service. These services are designed to primarily provide all-day or part-time care to non-school children.
- *Outside School Hours Care (OSHC)* – provides care mainly for primary school children before and/or after school and during vacation time.
- *Family Day Care (FDC)* – a network of caregivers who provide flexible care and developmental activities in their own homes for other people's children.
- *Occasional Care (OCC)* – provides short periods of centre-based care for children under school age. Parents use occasional child care for a variety of reasons, including casual, shift-work or part-time work; respite care; crisis and emergency care; and attending appointments. Families can access occasional care for regular sessions or irregularly.
- *In-Home Care (IHC)* – a targeted form of child care where an approved carer provides care in the child's home. It is only available for families who do not have access to an existing child care service, or where an existing service cannot meet their needs. Some of the circumstances in which a family may be eligible for in-home care include where the parent or child has an illness or disability, they live in a rural or remote area, or a family has had a multiple birth.

Attachment A

STATISTICAL COMPENDIUM

Table 5: Approved Child Care Places by State by Service Type

	Service Type				Total
	LDC	FDC (a)	OSHC (b)	OCC	
New South Wales	96,648	25,793	83,052	1,189	206,682
Victoria	66,210	16,251	79,109	613	162,183
Queensland	85,163	15,600	83,279	435	184,477
Western Australia	24,088	5,001	18,106	347	47,542
South Australia	17,633	6,319	34,060	68	58,080
Tasmania	4,844	2,692	8,455	77	16,068
Northern Territory	3,423	1,229	4,836	10	9,498
ACT	5,726	2,160	7,792	106	15,784
Australia	303,735	75,045	318,689	2,845	700,314

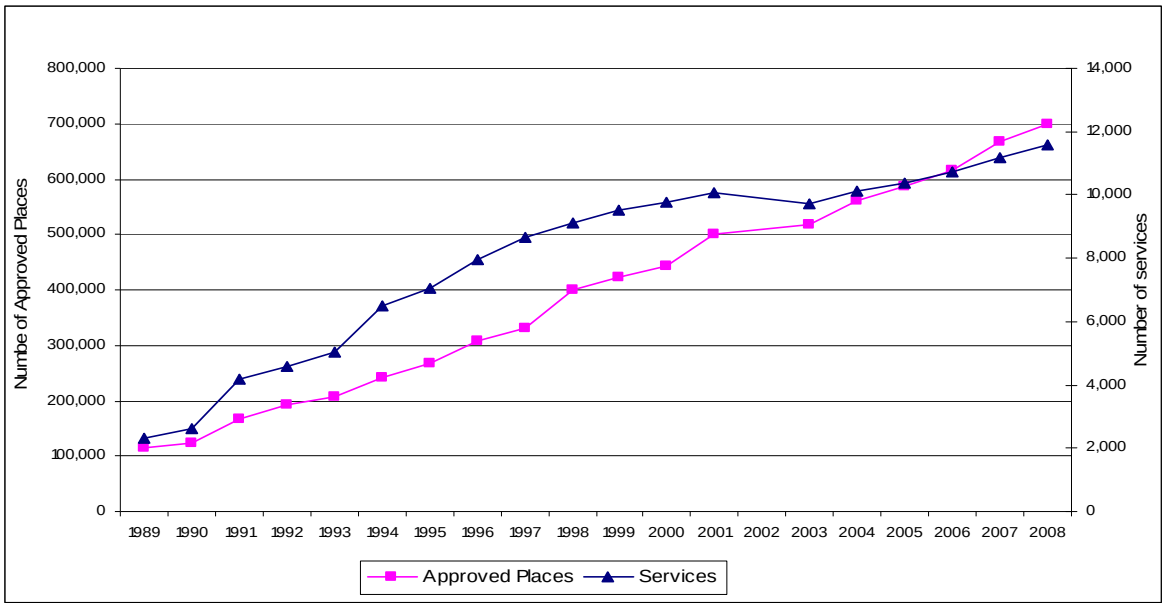
(a) FDC includes In-home Care
(b) Includes After School Care, Before School Care and Vacation Care
Source: Centrelink Administrative Data, March 2008

Table 6: Number of Services provided by each Sponsor/Operator

No. of Services Operated by each Operator	No. of Operators	No. of Services	Percentage of Total
1 to 3	4,868	6,806	58.7
4 to 6	206	959	8.3
7 to 10	55	435	3.8
11 to 25	53	834	7.2
26 to 50	12	414	3.6
51 to 100	3	173	1.5
101+	5	1,974	17.0
Total	5,202	11,595	100.0

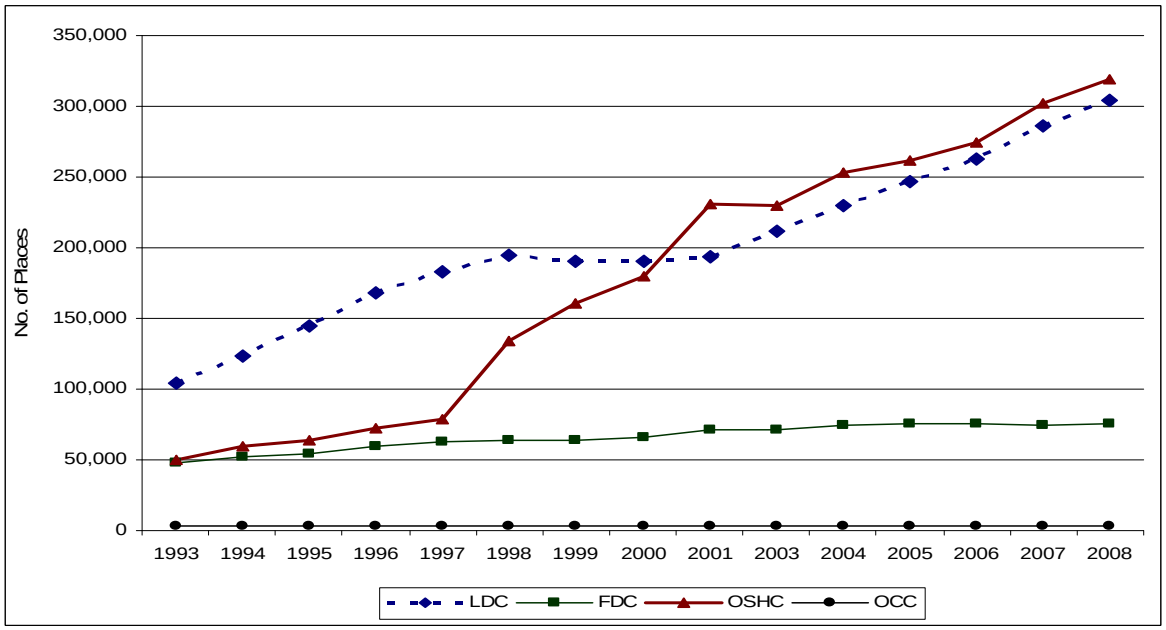
Source: Centrelink Administrative Data, March 2008.
Note: In some cases, the number of services operated by an operator cannot be ascertained due to the complex corporate structure of operators.

Graph 5: Growth in Child Care Services and Places 1989-2008



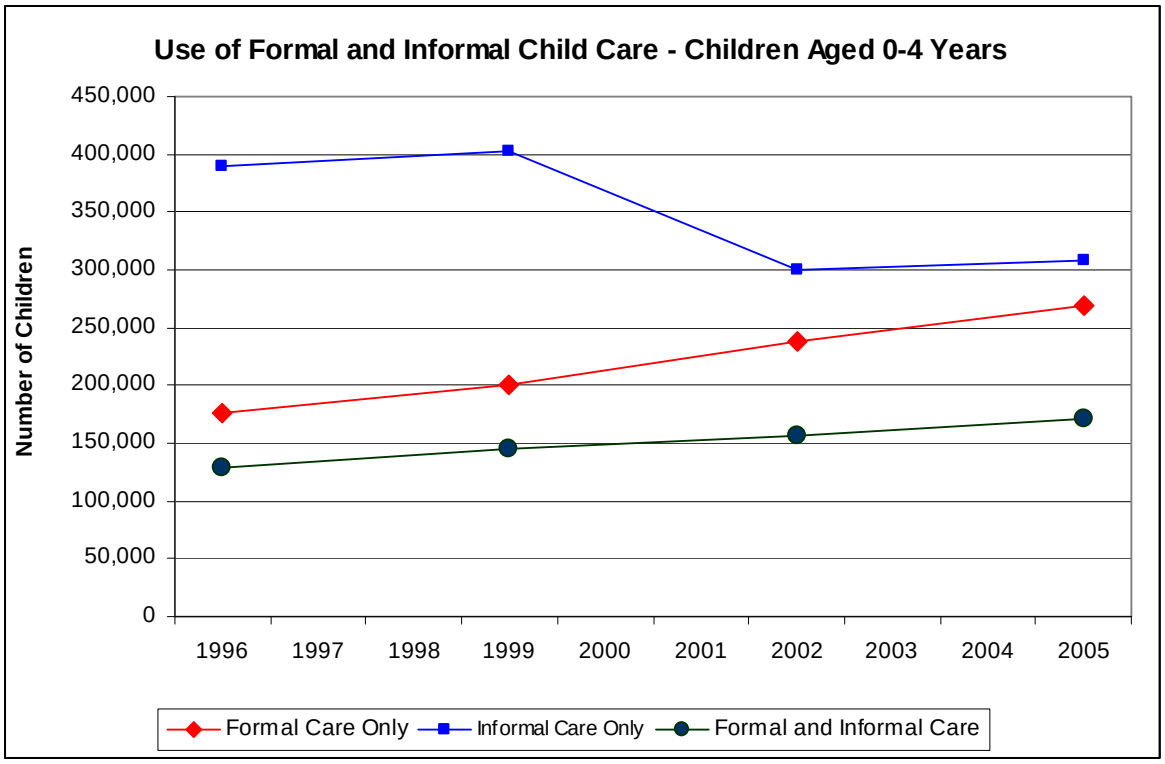
Source: Centrelink Administrative Data 1989 - 2008

Graph 6: Number of Approved Child Care Places by Service Type



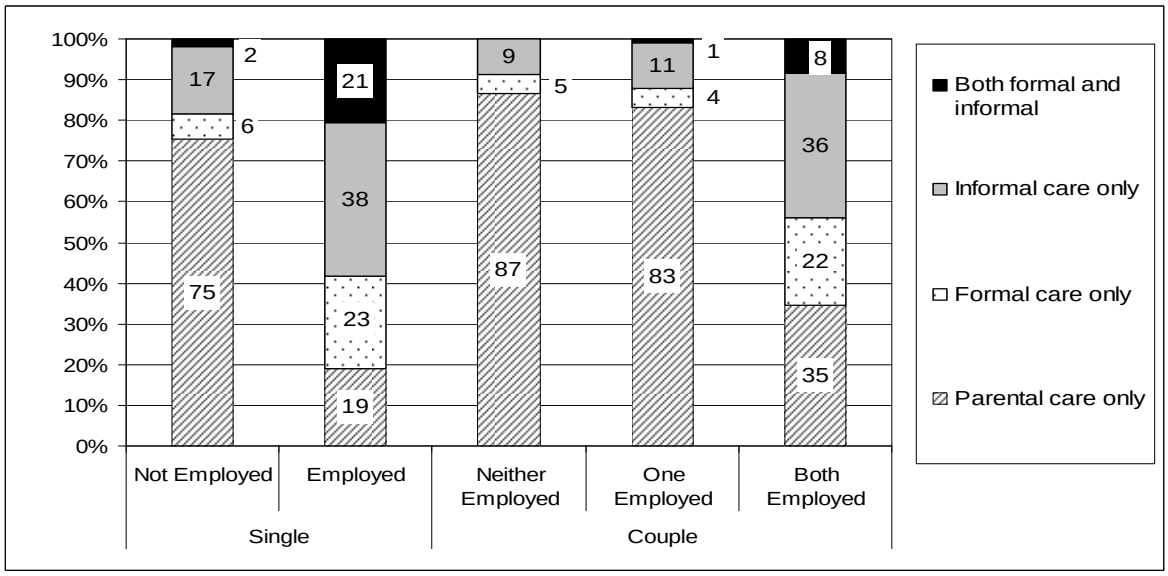
Source: Centrelink Administrative Data, March 2008

Graph 7: Number of Children using Formal and Informal Child Care



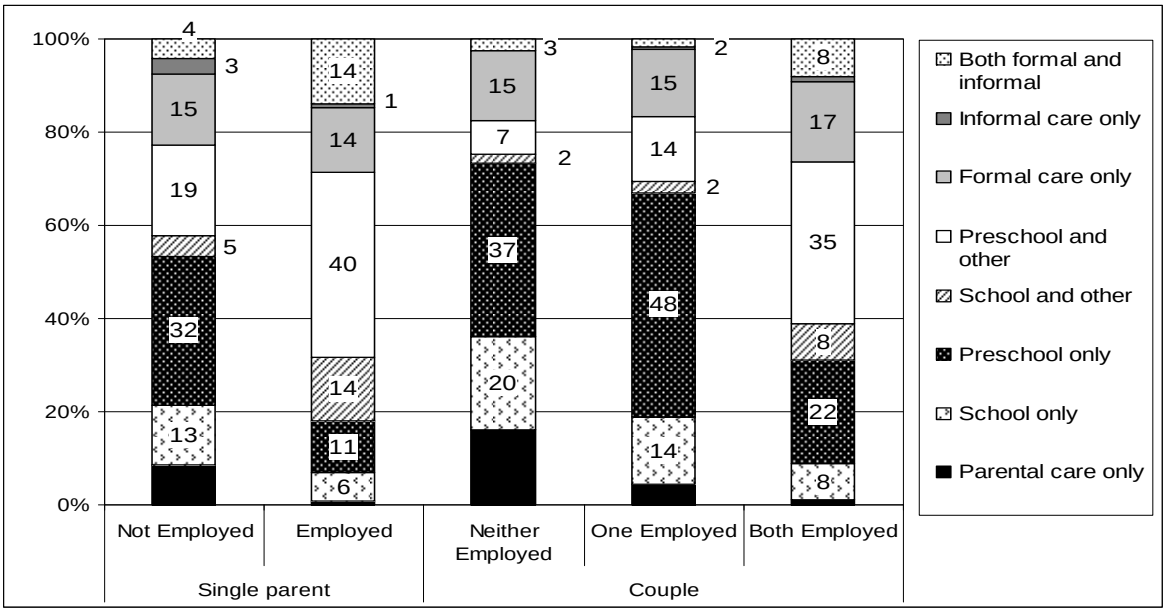
Source: ABS Child Care Survey, Publication 4402.0, June 2005 Second Reissue

Graph 8: Child care use by family type and parental work status for infants, 2004 LSAC data



Source: Longitudinal Study of Australian Children (LSAC) 2004, Wave 1

Graph 9: Child care use by family type and parental work status for 4 to 5 year olds, 2004 LSAC data



Source: Longitudinal Study of Australian Children (LSAC) 2004, Wave 1

Table 7: Main reason for not using child care, infants (per cent)

Reasons[(a)]	Single	Couple			Total
		Neither Employed	One Employed	Both Employed	
No need	81.7	83.9	89.5	84.1	87.3
Child-related	9.6	11.9	5.9	8.9	7.3
Affordability, availability or quality barriers	8.8	4.3	4.7	7	5.5

Source: Longitudinal Study of Australian Children (LSAC) 2004, Wave 1.
Note: (a) No need comprises: 'child does not need it' and 'parent is available, other care not needed'.
(b) Employed and not-employed single parents have been combined as only 16 employed single parents were not using child care.

Table 8: Average Hours of Child Care Usage by Service Type

	average hours paid per child per week	Average hours used per child per week
Long Day Care	24.8	19.9
Family Day Care	18.9	18.1
In-Home Care	23.3	23.3

Source: 2006 Australian Government Census of Child Care Services, DEEWR (2008)

Attachment B

TIMELINE OF KEY POLICY CHANGES

1984-1991	Means-tested fee relief available for users of community-based child care centres.
1991	Fee relief extended to users of private, for-profit centres.
1996	Release of the Economic Planning Advisory Commission Report.
1996	Operational and capital works subsidies for community based (not-for-profit) child care centres abolished. Reduction in the level of child care assistance; imposition of means-test on child care cash rebate; and withdrawal of funding for 5,500 new centre-based places that were due for construction over the following few years.
1997	Extra 83,000 places established for LDC, FDC and OSHC.
1999	The restriction on the number of new places that can be established at LDC services is removed.
2000	New Tax System introduced and the child care assistance payment and the child care cash rebate were replaced with the Child Care Benefit (CCB) payment. CCB was more generous than the payments it replaced. Income threshold for eligibility was raised and the number of hours of subsidised care available to parents was increased (up to 50 hours for working parents and up to 20 hours for non-working parents). CCB is available either as a direct payment to child care services or lump sum at the end of the year.
2001	ABC Learning listed on the stock exchange. Several other private child care companies followed, including: Future One, Child Care Centres Australia, Peppercorn, and Kids Campus. All of these companies soon taken over by ABC Learning.
2004	Child Care Tax Rebate (CCTR) introduced to assist parents with their 'gap fees' or out-of-pocket expenses on child care.
2006	Restrictions on FDC and OSHC places are removed.
2006-2007	Payment of CCTR entitlements for 2004-05 commenced upon lodgement of income tax returns. Paid at rate of 30 per cent of child care out-of-pocket costs and up to a maximum rate of $4,000 per annum. Amount of CCTR depends on an individual's income tax liability.
2007-2008	A further increase of 10 per cent over and above indexation was announced in the 2007-08 Federal Budget. This resulted in a total increase of 13.63% to the maximum rate of CCB. CCTR is also no longer dependent on an individual's income tax liability but becomes a family assistance payment.
2008-2009	CCTR entitlements are assessed at the rate of 50 per cent of child care out-of-pocket costs and paid quarterly. Maximum entitlement becomes $7,500 per annum per child.

Attachment C

CHILD CARE SERVICE HANDBOOK 2008-09

OTHER COMMONWEALTH SUPPORTED PROGRAMS AND INITIATIVES

Families are the central system of provision for children's care and development. It is important that early childhood education and care services recognise and support the critical role of families.

The early childhood education and care sector forms an important part of the range of intervention services required for children to reach their full potential.

Other Commonwealth programs and initiatives which focus on early intervention and prevention to help build family and child wellbeing and encourage self reliance also contribute to significantly improved outcomes for children.

Child care has the potential to play an even greater role in the support of parents by working with families to strengthen parenting skills through supporting their engagement within the child care service and with other child, parent and family support programs which support early childhood development, including:

- **The Playgroup Program** which has over 8,000 playgroups across Australia under the following four different playgroup models.

  Community Playgroups which are initiated and self managed by parents or caregivers and inclusive of all families with children under school age;

  Supported Playgroups which are initiated and facilitated by a paid coordinator, and targeted at families who would not normally access a community playgroup including: CALD, Indigenous, mental health and/or disability (parent and/or child), teenage and young parent families; and families who are socially isolated and/or disadvantaged;

  Locational Supported Playgroups which are initiated and facilitated by a paid coordinator and targeted at vulnerable families; and

  Intensive Support Playgroups which are initiated and facilitated by skilled family support and early childhood workers, are place based and targeted at insecure, overcrowded or problematic housing and/or risk of homelessness and families in crisis; and which operate as mobile playgroups.

- **Communities for Children (CfC)** which is a place-based program operating in 45 disadvantaged locations in Australia, involving local stakeholders such as family and children service providers, community leaders and other early childhood stakeholders. CfC helps community members to build strong partnerships and act collaboratively to improve child outcomes and well-being across the domains of health, early learning and development, and support for families and parents.

- **Invest to Grow (ItG)** which has funded a range of successful established projects, a number of developing early childhood projects, and the Child Care Links (CCL) initiative. CCL uses child care centres in disadvantaged areas as community hubs to link families with young children to local support services and to strengthen community networks.
- **Tools and resources** such as the Raising Children Network website and DVD, the Australian Research Alliance for Children and Youth (ARACY), the Secretariat for National Aboriginal and Islander Child Care's (SNAICC) National Indigenous Resource Service, and the Australian Childhood Foundation's Every Child is Important campaign.
- **Indigenous Parenting Support Services (IPSS)** which has funding of $16.6 million over 4 years for the implementation of 50 new services integrated into existing platforms such as child care centres, Aboriginal Community Controlled Health Centres and other related services that provide Indigenous families with access to enhanced parenting support. The services are designed to strengthen parenting skills and support the development, learning and wellbeing of Indigenous children from birth to eight years. Eight of the 50 IPSS services were implemented in June 2008.
- **Responding Early Assisting Children (REACh) Program** which improves the capacity of families and caregivers to respond appropriately to children's needs for care, development and safety. There are 39 non-government organisations across states and territories funded through REACh to provide services targeted at improving outcomes for vulnerable children and families that may be experiencing significant transitions or disadvantage and are at risk of child abuse and neglect.
- **Indigenous Children Program (ICP)** which aims to strengthen Aboriginal and Torres Strait Islander children, families and communities and build their resilience and support networks. There are 32 non-government organisations across states and territories funded through ICP.
- **Family Relationship Services Program (FRSP)** which is jointly funded by FaHCSIA and the Attorney General's Department (AGD) and delivered by over 100 non-government community organisations in over 600 outlets across Australia.

These programs can be utilised as soft entry points into early education and care services and/or as a platform for out reach services to specific high risk family groups (Indigenous, CALD, teenage parents, single parent, blended and step families, parents with mental health problems, families within locationally disadvantaged communities etc.).