



Streamlining ECEC Approval Processes across Jurisdictions

#BestStartInLife

Submission to DESE December 2020



Introduction

This brief submission was put together in response to the Department of Education, Skills and Employment (DESE)'s call for submissions from organisations and individuals with an interest in **streamlining the Early Childhood Education and Care (ECEC) approval processes across jurisdictions**.

The Australian Childcare Alliance (ACA) appreciates the opportunity to help inform the Australian Government review of the options outlined in the **Streamlining Early Childhood Education and Care Approval Processes Across Jurisdictions Consultation Regulation Impact Statement**.

As the national peak body in the Australian ECEC sector, ACA represents more than 2,500 members and over 360,000 families throughout Australia. We work on behalf of Long Day Care service owners and operators, predominantly private, to ensure families have access to affordable, quality ECEC throughout Australia.

ACA has existed in various forms for more than 30 years. Our experience means that we understand the critical role that quality ECEC programs play in the life of families and the benefits of high-quality early learning.

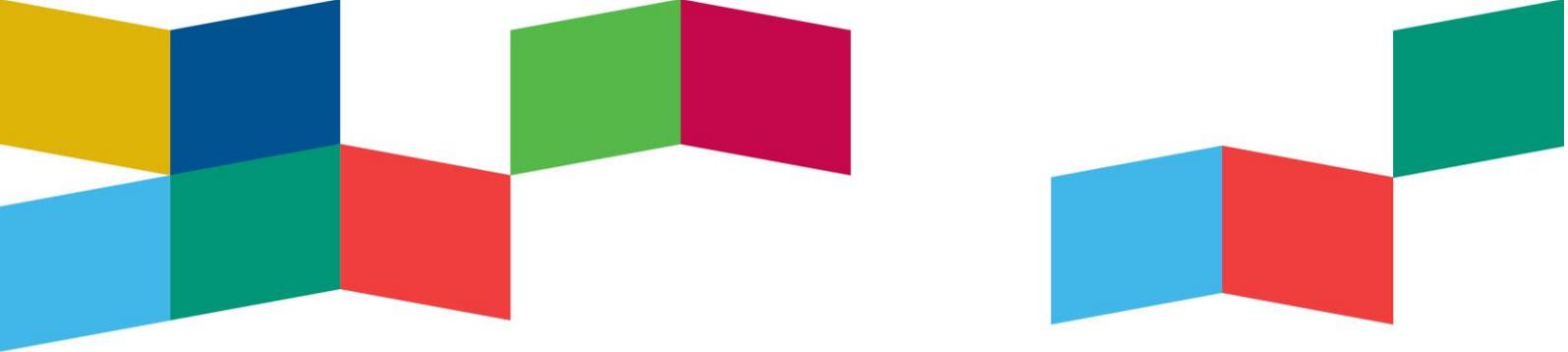
ACA's national and state bodies work collaboratively with all sides and levels of government, regulatory bodies and other stakeholders to ensure that families are supported into the future with a sustainable, affordable and viable sector.

We believe that the ECEC approval process should be centralised and co-ordinated across the relevant State and Federal Government Departments to simplify the process, prevent duplication of effort and reduce the application timeline, whilst giving careful consideration to prevent any unintended negative consequences that may arise.

ACA holds this view in the context of ensuring that **every child in Australia** has access to a high-quality early learning service, and therefore the **best start in life**.

Paul Mondo
President



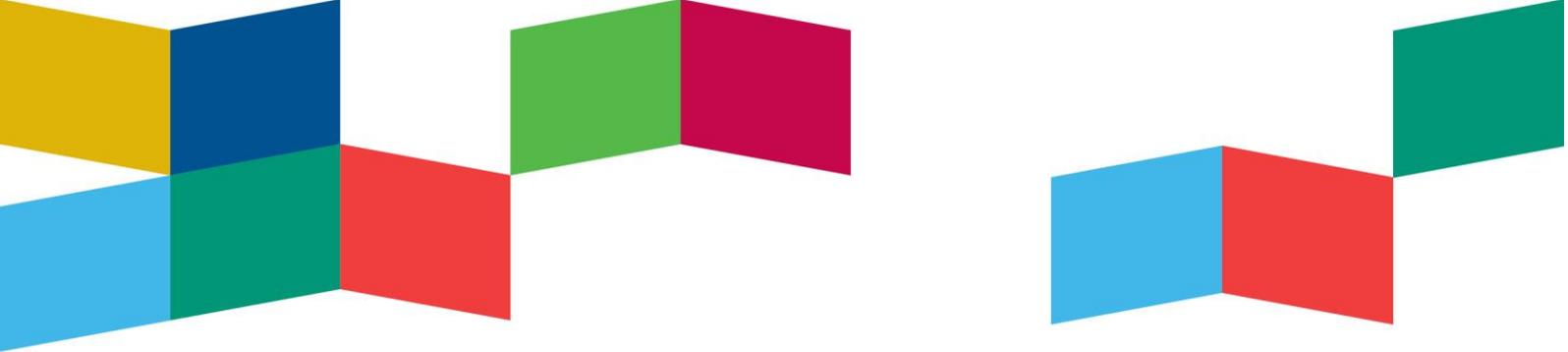


ACA response to key questions

1. When an application is submitted for either the Australian Government or State Regulatory Authority provider or service approval, the pain points experienced are:

Front end process / administrative issues

- Lack of support for the applicant
- Total confusion about the overall process and how everything interconnects
- Confusion on what documentation is required and, in some instances, where to obtain it
- Lack of readily available online instructions (Eg. education and training modules) in relation to the service approval process
- Assumed knowledge of descriptive language and acronyms used in instructions
- Inconsistencies with application requirements depending on the different departmental staff engaged with
- Receiving conflicting advice from help desk services
- Technological glitches in the portal
 - Eg. The Victorian Regulatory Authority added requirements for uploading documentation during the COVID-19 pandemic. Applications made via the NQA ITS can end up in the wrong regional office (ie. not the one aligned with the geographic location of the service provider).
- Lack of functionality with the online process
 - Eg. If an applicant does not appear on an ASIC register there is no option to say N/A in the CCS application
- Lack of a central contact throughout the process - CCS applications are always processed by the state in which the service is located and the applicant does not receive ANY contact until the service approval has been issued, regardless of how long this takes. The application for CCS can only occur after the service approval has been granted by the relevant State Regulatory Authority.
- Inflexibility of available session times for tests and subsequent interviews regarding 'fit and proper' assessment
 - Limited feedback on test results



Information gathering process

- Additional administrative burden to submit two separate applications to ACECQA and DESE
 - Both applications have different requirements for personnel records
- Compiling the required documentation in relation to the personnel who will be working within the service
- Time required to procure the various documents needed
- Requirement for police check to be within a limited recent time-frame, often requiring another application and subsequent delay
- For new Outside School Hours Care (OSHC) services on school sites, obtaining plans, right to occupy and soil assessment can be difficult.

Inconsistencies across jurisdictions

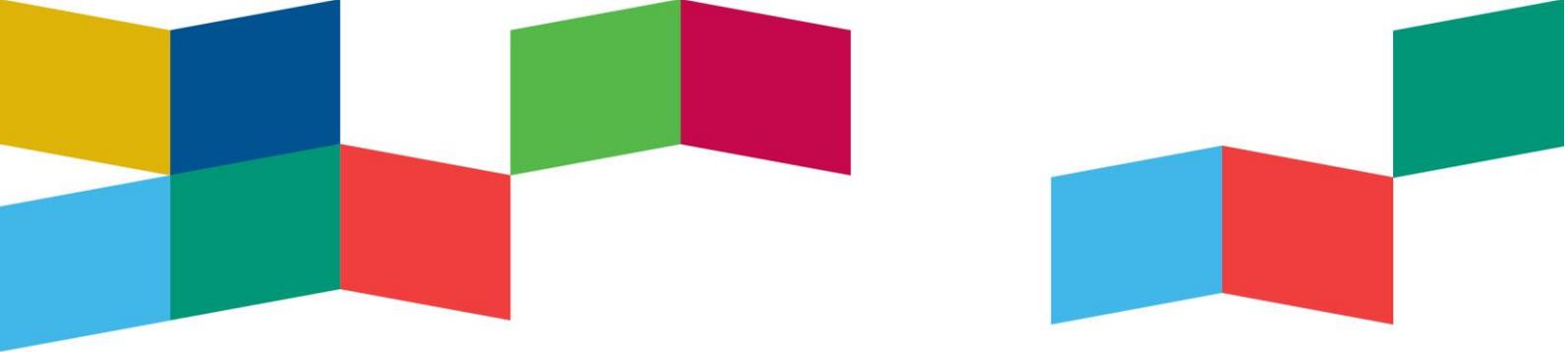
- In some parts of the process, different agencies have similar yet slightly different rules and regulations. Eg. The definition of a person with management or control varies under both laws.
- The definition of “persons with management and control” differs around the country, which creates difficulties in determining who needs to take the “fit and proper” test.
- Providers do not always understand and differentiate between their State Regulatory Authority and Federal Government.

2. On average how many hours do you spend preparing for and submitting a service application for both the Australian Government and State or Territory Government approval

This initial process of submitting the application online to the State Regulatory Authority can vary from 8 - 48 hours in online processing time. Many new providers engage consultants to complete this process due to the notorious long and difficult process.

Often applications include further requests for information, as well as undertaking interviews and tests, which are subject to the Department’s availability of sessions. This entire process can take up to 2-3 months.

The application for the CCS with DESE can take up to a week.



3. Are the current arrangements a problem for the Early Childhood Education and Care sector that require addressing? What do you consider are the costs and benefits of no regulatory change?

Yes, we believe the current arrangements are inefficient and problematic, and therefore need to be addressed.

The overall costs of no regulatory change include:

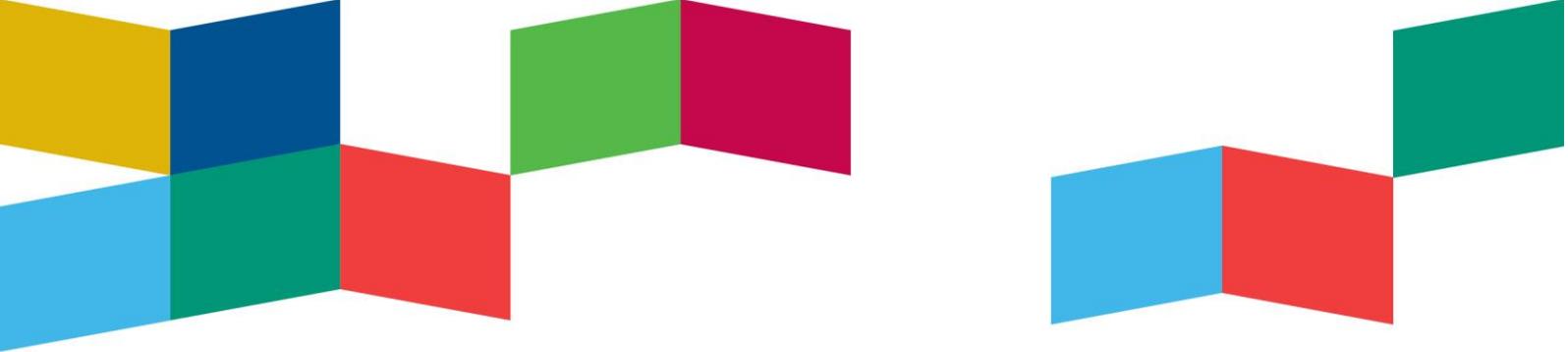
- Unnecessary duplication of efforts
- Unnecessary waste of service provider's time and resources on administrative processes
- Unnecessary delays in approvals and therefore delays in services being able to operate.
- Unnecessary costs to individuals - In terms of the CCS, each time a new service opens, a new police check (within 6 months) is required at cost to the individuals who may already be employed by the organisation and already be deemed as fit and proper as well as the other insolvency check and ASIC searches within 3 months.

Without harmonisation of processes, the **financial costs** incurred by existing/future Approved Providers would include:

- Costs for developers/architects/planners to get the development application approved, especially when the application complies with all statutory requirements but face resistance due to local community concerns.
- Loan costs to hold the land/asset while still not being able to generate income to pay for the business loan.
- Staff costs to keep them while waiting for the approvals to allow the service to open.

We cannot identify any benefits to making no regulatory changes in this space.

We believe that there should be some independent demonstrable needs analysis required when seeking service approval.



4. What are the impacts for families and children of remaining with current arrangements?

Under the current arrangements, time delays in service approval and/or CCS Approval can mean that:

- The planned **opening of a service could be delayed**, making it difficult for working parents to meet their workforce obligations and also denying the children of access to early learning.
- If the service opens without CCS approval In place, families **may be forced to pay full fee** without any reassurances of CCS reimbursements. This makes it difficult for families to manage their funds whilst waiting for the CCS to flow. If financially impossible, working parents may face difficulties going to or returning to work. Likewise, services who charge only the gap fee may be out-of-pocket if the parents' CCS application is ultimately not approved.
- Parents may be obliged to find alternative ECEC services but face the unintended consequence of not being able to “shop around” to find the most affordable and best quality service due to insufficient time, including to resorting to community/mobile preschools whose operating hours are not compatible with their work commitments.

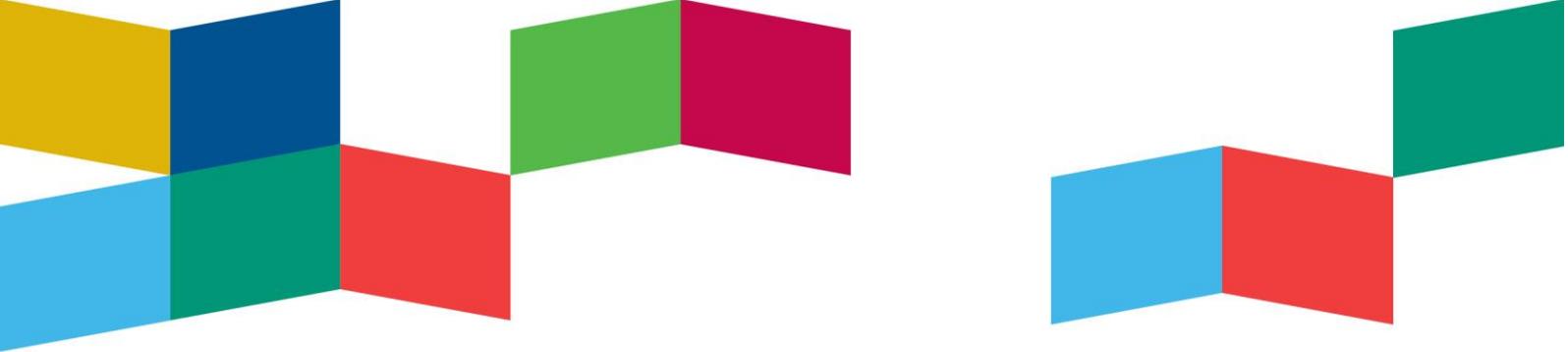
5. When considering Option 2 Fully Joined-up Approval Processes, are there other benefits or negative impacts?

In terms of benefits, it would be a streamlined process with increased efficiencies and removal of duplication. It would ideally be a simpler, easier process to follow, with clear, logical instructions and not leave any surprises for the applicant. (Once a service has been approved by State Regulatory Authority it can be stressful to apply for CCS service approval.)

Applicants therefore have a strong understanding of what documentation is required for each application. A person's fitness and propriety would be aligned during the assessment phase.

In terms of negative impacts, the new centralised process could cause a delay if clear instructions are not provided for applicants as to what documentation to upload.

There is also a risk that it may have its own glitches, as it would need to cover different legislation and work across various state and federal government departments.



6. When considering Option 2 Fully Joined-up Approval Processes, are there other impacts not considered in this CRIS?

Yes - there are other potential impacts to consider and address.

In principle, we support a fully joined-up Approval Process, subject to the following:

- The overall time is reduced.
- The overall complexity/burden is reduced.
- The harmonised process is nationally consistent.
- That the same information is being disseminated to service providers throughout the process.

7. When considering Option 2 Fully Joined-up Approval Processes, what would be the impact of submitting one joined-up application for you and your service/s? How much time or money would you save?

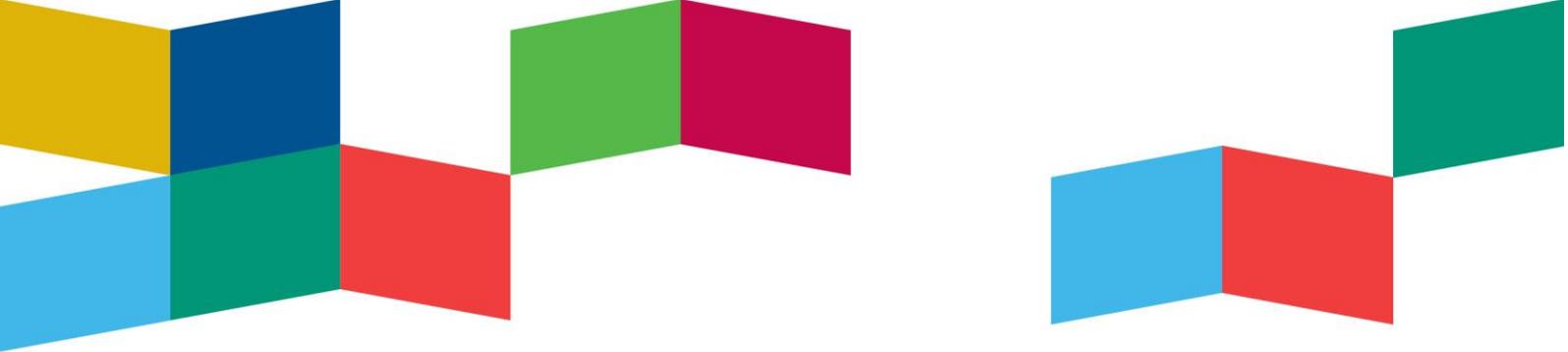
It's difficult to estimate the time saved as every service provider experience is different.

However it's clear that the impact of submitting one joined-up application (on the assumption that it works well) for service providers would be a time saving of anywhere from 3 - 40 hours in terms of online inputting and uploading of documentation, speedier approvals and of course a reduction in stress, frustration and anxiety.

For those providers engaging consultants to do this process, a new streamlined process could effectively save them thousands of dollars spent on consultants and many days in time.

8. What are the implications of Option 3 - Single Application Submission Only, for your service/services?

Option 3 appears to have some marginal benefits but still relies on interdepartmental communication and may cause confusion over disparate applications and time frames for approval.



Implementation of this option would mean that State Regulatory Authority Assessment Officers and Federal Government Assessment Officers **would not** be able to commence assessment of their respective applications **at the same time** and separate applications would be **sequentially assessed** and approved within separate systems, as the current arrangements already require.

Option 3 would be a slight improvement on the current arrangements but **would not offer the same positive benefits of Option 2.**

9. What is your preferred option and why? Which impacts concern you the most? Would they be minor or major impacts?

On balance, ACA would recommend **Option 2** to streamline the application process, albeit with caution. Whilst the concept of one application and one upload of all information required would be ideal in theory, we note that the success of Option 2 would be dependent on the way that the departments and information technology systems are set up, as to how this would work.

We have concerns about the practical logistics required for the two departments to complete approvals together in partnership, without substantial time delays and applications getting ferried from department to department with little progress.

We would therefore like to see further consultation with the sector to test the proposed new model, to ensure it is effective, practical and meets the needs of the sector.

We would also like to see one central point responsible for each application, and adequate support such as clear instructions available online, a set of FAQ's and a helpdesk service.

Finally, we would like to recommend that there be a clear review and/or appeals process in the event that an application is rejected by either jurisdiction.



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