



3 September 2014

Our ref: 05-065-03-0005/MP

Childcare Inquiry
Productivity Commission
GPO Box 1428
CANBERRA CITY ACT 2600
childcare@pc.gov.au

To Whom It May Concern:

**RE: CHILDCARE AND EARLY CHILDHOOD LEARNING – PRODUCTIVITY COMMISSION
DRAFT REPORT JULY 2014 INTERIM SUBMISSION**

Thank you for the opportunity to provide comment on the Childcare and Early Childhood Learning – Productivity Commission DRAFT REPORT. This interim submission has been prepared by the Western Australian Local Government Association (WALGA) on behalf of Local Government in Western Australia. The Western Australian Local Government Association (WALGA) is the united voice of Local Government in Western Australia. The Association is an independent, membership-based group representing and supporting the work and interests of 138 Local Governments in Western Australia.

The comments contained in this submission have not yet been considered or endorsed by WALGA's State Council, as such, please be advised that this is an interim submission and that the Association reserves the right to modify or withdraw the comments as directed by State Council. This interim submission will therefore be considered at the next State Council meeting on the 3rd December 2014.

The draft report concludes that current system costs are increasing at an unsustainable rate and does not meet the needs of all families. The report notes that Local Government is making a significant contribution to ECEC in Australia.

Positive recommendations include

- One simple Child Based Early Care and Learning subsidy.
- Removal of restrictions on the number of child care places for occasional care and the hours centres have to be open in order to receive Government subsidies.
- There will be ongoing Government support for access to preschool for all children in the year before starting school. *(N.B. Recently Education Minister Peter Collier has committed to funding extra kindergarten hours if the Commonwealth does not renew an early education funding arrangement)*

PO Box 1544, West Perth 3872
T: (08) 9213 2000 F: (08) 9322 2611 info@walga.asn.au
www.walga.asn.au

- Increasing funding and subsidies for children with disabilities and additional needs.
- The National Quality Framework (NQF) to be retained, modified and extended to all Government funded services. However this needs to be more flexible and targeted for the types of services provided.

Further clarity would be required around the following recommendations

- Using zoning and planning policies to support the co-location of ECEC services with community facilities, especially schools (Recommendation 7.12)

Currently in WA the Department of Sport and Recreation are preparing shared agreements with Local Government for collocated Facilities. This will assist Local Governments further.

- Using outcomes based regulations to allow services flexibility in the way they comply with planning rules, such as in relation to parking(Recommendation 7.12)

Recommendations for noting include

- Exploring and eliminating overlaps between National Quality Framework and local government requirements as part of ongoing review of Framework. (Recommendation 7.7)
- Not regulating the design or quality of any aspect of building interiors or children's outdoor areas within the service property, where such regulation duplicates or extends the requirements of the National Regulations or other standards such as the Building Code of Australia(Recommendation 7.12)
- Not imposing regulations that interfere with the operation of the ECEC market, such as by restricting the maximum number of permitted childcare places in a service(Recommendation 7.12)
- Providing clear guidelines for the assessment of development proposals in relation to ECEC services, and update these guidelines regularly. (Recommendation 7.12)
- State and territory governments should remove eligibility of all not-for-profit childcare providers to payroll tax exemptions. If governments choose to retain some assistance, eligibility for a payroll tax exemption should be restricted to childcare activities where it can be clearly demonstrated that the activity would otherwise be unviable and the provider has no potential commercial competitors.(Recommendation 10.1)

It should be noted that Local Government needs to meet the specific needs of their local communities when implementing changes to any zoning and planning policies. Changes should be considered in this context. Consideration of co-location of ECEC facilities with other community facilities may not always be possible due to a range of factors, site size, access arrangements and land tenure for example.

The report also does not address that there has been insufficient funding for building and maintaining of the required ECEC infrastructure. Many facilities were built decades ago with funding from State and Commonwealth Government, which has long ceased. These aging

facilities are at the end of their asset life. Most Local Governments are unable to fund construction of new facilities or continue to maintain facilities past their asset life cycle particularly when these facilities are provided free of charge with little or no cost recovery. The removal of eligibility of all not for profit childcare providers to payroll exemptions may disadvantage centres providing vital services to communities with no competitors.

Thank you for the opportunity to comment on the Draft Report. For enquiries and additional information please contact Melissa Pickering Policy Officer - Community

Please quote our file reference in all correspondence.

Yours sincerely

Jodie Holbrook
Acting Executive Manager, Planning and Community Development