

Submission by the Tasmanian Government

Productivity Commission Inquiry into
Childcare and Early Childhood Learning

September 2014



Tasmania
Explore the possibilities

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I TASMANIAN CONTEXT

Entrenched disadvantage is an issue for Tasmania, with 32.7 per cent of households in Tasmania reliant on government benefits and payments as their main source of income, compared to 24.8 per cent nationally. Many low income families have had cost of living increases above the Consumer Price Index, with the highest being experienced by single parents with dependents who are renting and on government benefits¹. When expenditure on essentials takes up a higher percentage of the household budget, this can cause rationing and substitution that may lower quality of life and impact on the use of childcare and early education services by households with children.

The Tasmanian Government supports approaches that are aimed at helping vulnerable Tasmanians move out of disadvantage by tackling the barriers they face, and which prevent them from falling back into poverty by encouraging resilience over reliance. The challenges facing Tasmania are significant and compounded in regional areas where the rate of reliance on the Australian Government income support system is especially high. While the Tasmanian Government is working to restore confidence in local economies and open the State for business, this will take time and communities will need to be supported and have access to services in person centric ways that help individuals and families participate in the new economy. This includes the continued provision of a well-developed and accessible preschool system and childcare sector.

Kindergarten

As discussed in Tasmania's Response to the Productivity Commission's Issues Paper² Tasmania delivers a universal pre-school³ year (known as kindergarten) which is integrated into the government and non-government education systems.

Kindergarten has been delivered sustainably through the education system for more than 40 years. It is regulated under the *Education Act 1994*. The high number of low socio-economic status families who could not afford to support community kindergartens was a significant factor in the 1968 decision to embed kindergartens in the Tasmanian education system. The continuing benefit to children in disadvantaged areas is demonstrated by recent analysis using the Socio-Economic Indexes of Areas (SEIFA) index, that shows that over half of the 6 500 kindergarten students in Tasmania in 2013 (58 per cent) were in the two most disadvantaged quintiles.

¹ Modelling using ABS Household Expenditure Survey, Australia: Summary of Results, 2003-04 and 2009-10, Cat. 6530.0 and ABS Consumer Price Index, Australia, 6401.0, 2003-04 and 2009-10.

² For detailed information on the kindergarten system see Attachment I to Tasmania's Response to the Issues Paper (Submission No. 390 - February 2014).

³ The term 'preschool' is not generally used in Tasmania. Kindergarten is the preferred terminology in this jurisdiction and will be used in Tasmania's Submission.

Kindergarten provision in Tasmania – key facts

Prior to signing the five-year *National Partnership (NP) Agreement on Early Childhood Education in 2008*⁴, Tasmania already had a well-developed pre-school service delivered through the government and non-government school sectors.

- Kindergarten is regarded as the ‘first year of school’ by the Tasmanian community.
- All children who turn four by 1 January are entitled to enrolment in a kindergarten in a government school under the *Education Act 1994* but attendance is not compulsory.
- Teachers are registered with the Teacher Registration Board and are four year university qualified.
- No fees are charged in government schools - other than minimal school levies - and one third of enrolments qualify for waiver of levies.
- Enrolment rates across the government and non-government school sectors are consistently above 95 per cent. In 2013, 96 per cent of disadvantaged children and 100 per cent of Aboriginal children were enrolled in kindergarten.

Prior to signing the NP, government schools in Tasmania offered a minimum of 10 hours kindergarten per week funded fully by the Tasmanian Government. The additional money provided by the Commonwealth under the NP has supported an additional five hours per week.

Kindergarten is delivered on school sites and the students (and their families) are considered part of the school community. Tasmanian kindergartens provide a child's formal enrolment point into their local school and provide play-based learning for children. Each kindergarten class has a teacher and teacher assistant.

Kindergarten in the Tasmanian Government system is free.⁵ School fees are payable in non-government schools.

Despite being a non-compulsory year, it is regarded by the Tasmanian community as the ‘first year of school’. As a result, the kindergarten year enjoys almost universal take-up (over 95 per cent) by Tasmanian parents.⁶

Other than the NP funding, no Commonwealth childcare subsidies/rebates are paid in respect of the kindergarten year in government schools and the majority of non-government schools in Tasmania.⁷ In other jurisdictions non-government preschool providers receive Child Care Benefit (CCB) funding and parents are eligible for the Child Care Rebate (CCR).

⁴ In 2008, the Commonwealth and states and territories signed a five-year National Partnership Agreement on Early Childhood Education (the NP), through which the parties agreed to implement the 2007 Federal Labor election commitment that, by 30 June 2013, every child would have access to a pre-school program for 15 hours per week. Implementation of the NP commenced in 2009.

⁵ A levy of up to \$190 per year is payable however this is waived for those on low incomes.

⁶ Childcare providers may deliver kindergarten if they are registered as a non-government school. Currently no childcare providers deliver kindergarten because there is little demand from parents mainly due to the cost and the community perception of kindergarten as being the ‘first year of school’.

⁷ A small number of independent schools offering Long Day Care (LDC) attract CCB/CCR.

Childcare

At March 2014 there were 223 childcare services regulated under nationally applied law in Tasmania providing a total of 11 420 places for 0-12 year olds. 40 per cent of Tasmanian children aged 0-5 years attend childcare (which is line with the Australian average).

The delivery of childcare is similar to the rest of Australia although Tasmania has a higher proportion of community-based, not for profit providers (70 per cent).

The Secretary of the Department of Education (DoE) is the Tasmanian regulatory authority for childcare under nationally applied law. A specialised unit within the Early Years and Schools Division, the Education and Care Unit (ECU), is operationally responsible for this function.

Tasmania's regulatory authority has historically had a generally positive and supportive relationship with early childhood education and care (ECEC) services. Each service has an authorised officer nominated as their 'point of contact'.

2 INTRODUCTION

The Tasmanian Government welcomes the opportunity to provide comments on the Productivity Commission (PC)'s Draft Report on its Inquiry into Childcare and Early Childhood Learning.

There are a number of parallel review and reform processes currently underway that can also be considered in the context of this Inquiry, and which are likely to impact on the ECEC system. These include the 2014 Review of the National Quality Framework for early Childhood Education and Care; the (interim) report 'A new System for Better Employment and Social Outcomes' (the McClure Review on Australia's Welfare System); 'Creating Parity' (the Forrest Review of indigenous training and employment programs); and the development of the White Paper on Reform of the Federation and the White Paper on Tax Reform.

These review processes present an opportunity for the Australian Government and states and territories to clarify service responsibilities and, more importantly, establish better ways of working together in areas of mutual interest to ensure complementary and coordinated effort. Within this context, Tasmania encourages the PC to explore options that address an enduring governance framework for capturing the broader impacts on state and territory governments in decision making on childcare and early childhood learning.

The Tasmanian Government recognises the importance of early childhood education and the National Quality Framework (NQF), as well as the role a strong childcare sector plays in creating jobs, growth and opportunities for Tasmanians.

It is acknowledged that the current ECEC system faces challenges including:

- access to childcare places – including children with additional needs;
- flexibility of care to meet non-standard or irregular working hours;
- the complexity of the existing childcare payments – the means-tested CCB and the non means-tested CCR;

- disincentives to increase workforce participation due to the high effective marginal tax rates arising from the interaction of the current childcare subsidy, income tax and income support systems;
- the continuing Implementation and concurrent review of the NQF.

The PC's Draft Report provides a detailed analysis of the future options for childcare and early childhood learning. The proposal to move to a single, means tested and child-based subsidy paid directly to the provider will address the complexity inherent in the current system.

Efforts to simplify and streamline both the regulatory framework and the current subsidies are welcomed. It should also be noted that the NQF is still in the process of implementation and regulatory reviews are currently underway under the auspices of the Council of Australian Governments and the Australian Children's Education and Care Quality Authority (ACECQA).

This submission highlights issues of specific concern to Tasmania or matters that require further consideration rather than provide a comprehensive response to all the Draft Recommendations presented by the PC.⁸

- The Tasmanian Government supports removing dedicated preschools from the NQF's scope (DR 7.9) and the continuation of per child payments to the states and territories for universal access (DR 12.9). The lack of certainty regarding the continued Australian Government support for universal access beyond the end of 2014 has raised issues for the Tasmanian government and non-government school systems in planning for enrolment and staffing in 2015. It is understood that the funding impasse has had similar impacts in preschool systems across Australia.⁹
- Under the activity test model (DR 12.4) proposed by the PC, there appears to be limited scope for the children of non-working parents to access ECEC programs in circumstances where the children may be developmentally vulnerable but are not diagnosed as having an additional need or formally identified as being 'at risk'.
- The recommendation to lower the qualification requirements for carers working with children aged birth to 36 months (DR 7.2) is contrary to the significant body of research which has established the links between qualifications, quality and positive outcomes for children. It also undermines the philosophy underpinning the collaborative development of the NQF by the Australian, state and territory governments.
- The recommendation to remove eligibility for not-for-profit childcare providers for payroll tax exemptions (DR 10.1) would also impact the viability of the majority of Tasmanian childcare providers that are community-based, not-for-profit services.
- Nannies may not be an affordable model of care for parents on low incomes who work non-standard or irregular hours. Current users of the In-Home Care model may not have the capacity or resources to recruit and support a nanny (DR 8.6).

⁸ The following key is used in the Response DR= Draft Recommendation; DF = Draft Finding and IR = Information Request.

⁹ On 5 September 2014 media reports stated that the Assistant Minister for Education, Hon Susan Ley MP had announced \$406 million for a further 12-month extension of universal access. While the announcement is welcomed, no formal advice has been received from the Australian Government.

3 FAMILIES USING MAINSTREAM SERVICES

DR 12.2 The Australian Government should combine the current Child Care Rebate, Child Care Benefit and the Jobs Education and Training Child Care Fee Assistance funding streams to support a single child-based subsidy, to be known as the Early Care and Learning Subsidy (ECLS). ECLS would be available for children attending all mainstream approved ECEC services, whether they are centre-based or home-based.

The Tasmanian Government notes anecdotal evidence from childcare service providers that the current childcare system is not easy for families to understand. A single, child-based subsidy will address the complexity inherent in the current system.

Kindergarten (preschool) is provided through the government and non-government school systems in Tasmania and families are not charged fees for this provision in Government schools.

Any longer term decision making by the Australian Government needs to ensure there is equity across systems. This may require consideration as to whether systems of schools, and schools should be eligible for the child-based subsidy.

Ongoing, it will be critical to ensure that decisions made by one level of government are not impacting on another, both financial and in terms of service system impacts, and also to avoid pulling against state based attempts to address entrenched disadvantage.

DR 12.4 The Australian Government should fund the Early Care and Learning Subsidy to assist families with the cost of approved centre-based care and home-based care. The program should:

- assist with the cost of ECEC services that satisfy requirements of the National Quality Framework*
- provide a means tested subsidy rate between 90 per cent and 30 per cent of the deemed cost of care for hours of care for which the provider charges*
- determine annually the hourly deemed cost of care (initially using a cost model, moving to a benchmark price within three years) that allows for differences in the cost of supply by age of child and type of care*
- support up to 100 hours of care per fortnight for children of families that meet an activity test of 24 hours of work, study or training per fortnight, or are explicitly exempt from the criteria*
- pay the assessed subsidy directly to the service provider of the parents' choice on receipt of the record of care provided.*

The Tasmanian Government supports, in principle, any move to make childcare more affordable for low income families and to make the system more equitable. However activity testing, depending on the model used, has the potential to disadvantage some vulnerable families (ie where one or both parents are not in work, study or training for 24 hours per fortnight and the child is not formally recognised having an additional need).

Access to ECEC should not be removed from a child solely on the basis of their parent's work, education and training status. If access to ECEC is seen to play a vital role in the development of children and in school preparation then the withdrawal of subsidies, which support access, risks causing significant disadvantage to children at a time at which they are most vulnerable. Existing sanctions for the failure of the primary carer to meet the activity test for benefits, can place significant strain on families; the imposition of additional sanctions, specifically targeted to children, would only increase vulnerability.

Changes in the payment of subsidies to families should take account of findings from the McClure Review on Australia's Welfare System.

DR 12.3 The Australian Government should exempt non-parent primary carers of children, and jobless families where the parents are receiving a Disability Support Pension or a Carer Payment from the activity test. These families should still be subject to the means test applied to other families.

Non-parent primary carers of children (for example, grandparents caring for grandchildren) and parents who receive a Disability Support Pension or Carer Payment can face additional barriers to participating in work or study. People in these situations should be encouraged and supported to participate in work or study.

IR 12.3 The Commission seeks information on who is using ECEC services on a regular basis but working below the current activity test of 15 hours per week, or not actively looking for work or undertaking work, study or training. Views are sought on the activity test that should be applied, how it could be implemented simply, and whether some means tested access to subsidised care that is not subject to an activity test should be retained. If some subsidised care without an activity test is desirable, for how many hours a week should it be available, what should the eligibility criteria be, and what are the benefits to the community?

At Census in 2011 there were 76 382 people in part-time employment in Tasmania, of which 52 537 (69 per cent) were women and 23 845 (31 per cent) were men.

Additionally, in September 2012, there were 14 600 underemployed females in Tasmania who met the Australian Bureau of Statistics (ABS) definition of an underemployed worker which is a part-time employee who works less than 35 hours per week and who wants, and is available for, more hours of work than they currently have. Full-time workers who have had their work hours reduced for economic reasons are also considered underemployed.

Based on these figures, it may be that in Tasmania the majority of those using ECEC who are working below the current activity test of 15 hours per week are likely to be women.

Robust data on who is using ECEC in this manner, and why, would help to determine how equitable it is to subsidise this kind of use and who may be disadvantaged by this kind of subsidisation. For example, if a working parent on a low income were to lose a childcare place to a non-working/non-studying/non-training parent whose partner earns a high income, this would present an inequitable situation. However, people who are under-employed for legitimate reasons, and are actively seeking more employment, should not be penalised for not meeting the requirements of an activity test for childcare.

It is estimated that each year, more than 600 Tasmanian State Service employees become parents.¹⁰ Increased access to subsidised childcare for employees on unpaid leave, that provides a better match between demand and supply of childcare, could make it easier for the employee to transition back to work without an unnecessary delay.

IR 12.5 *The Commission seeks information on the impact that removing the current free access of up to 50 hours a week to ECEC services for eligible grandparents will have on them and the children for whom they care.*

There is considerable evidence to support the assertion that grandparents caring for children face additional financial pressures to other adults caring for children, as they may be retired, working less, on a pension or facing additional costs associated with health problems. For more information, refer to the Australian Bureau of Statistics' *Family Functioning: Grandparents Raising Their Grandchildren*.¹¹

Removing free access to childcare could place a significant burden on these carers, increasing the cost of living and removing a legitimate respite option for older carers who may be retired and/or facing health problems. It may also act as a disincentive for older people in childcaring roles to re-enter the workforce.

DR 8.3 *The Australian Government should abolish operational requirements that specify minimum or maximum operating weeks or hours for services approved to receive child-based subsidies.*

The Tasmanian Government provides a contribution towards the operational costs for a number of small childcare services across the State that do not meet the current Australian Government requirements for approval to receive subsidies.

These small services are primarily located in rural and outer regional communities and most operate on a part time basis and not every day of the week. This can be a disadvantage to families using these services, and is sometimes a disincentive to enrol.

It is noted that some services have closed over the past two years due to viability issues and changing demographics. Access to Australian Government subsidies would assist families in these communities and support parent choice.

DR 8.4 *The Australian Government should remove caps on the number of occasional care places.*

If removing the cap on occasional care places is considered in conjunction with Draft Recommendation 8.3 above, this may assist some of Tasmania's small regional services. However, it would be important that any revised model provided a high degree of flexibility to meet varying family and community needs.

The Tasmanian Government is not aware of any demonstrated need for additional occasional care places in Tasmania. Assessment of any level of demand would require investment in

¹⁰ 'Total Expected Number of Births to Female State Service Employees in 2007' (Table 3) in Tasmanian Government Submission (No.253) to Productivity Commission Inquiry into Paid Maternity, Paternity and Parental Leave (2008).

¹¹ ABS 4102.0 Australian Social Trends 2005.

appropriate research. This is not a priority area at present due to the ongoing implementation of the NQF.

DR 8.5 Governments should allow approved nannies to become an eligible service for which families can receive ECEC assistance. Those families who do not wish their nanny to meet National Quality Standards would not be eligible for assistance toward the costs of their nanny.

National Quality Framework requirements for nannies should be determined by ACECQA and should include a minimum qualification requirement of a relevant (ECEC related) certificate III, or equivalent, and the same staff ratios as are currently present for family day care services.

Assessments of regulatory compliance should be based on both random and targeted inspections by regulatory authorities.

The issue of whether nannies should be included in the scope of the NQF is being considered as part of the National Quality Agenda (NQA) review. There are two issues to be considered:

- The implications for the regulatory framework; and
- If nannies are to be included - the timing of their inclusion.

These issues will require thorough consideration of an appropriate framework within the NQF, and whether there is scope to accommodate this model in the current regulatory regime. For example, a nanny would have no control over the family home as a premises or the NQF requirements in regard to environment. There may also be insurance issues. If nannies are to be subject to NQF requirements there will be increased responsibility and, therefore, increased cost to regulatory authorities with no budget to cover that increased cost.

It is likely that this would need to be a reactive, rather than a proactive, regime with complaints based focus rather than active regulation.

Regulatory officers in Tasmania are already working to capacity to try to assess and rate those childcare services currently in scope for the NQF in order to meet the June 2015 timeframe to undertake an initial assessment and rating of all services. Adding to the existing regulatory burden before the current NQF system has moved from implementation to maintenance is neither feasible nor desirable.

The proposal to include approved nannies as an eligible service increases the level of risk regarding the protection of children in early education and care programs and the public perceptions. It also has the potential to lead to a 'tiered' system of quality in ECEC.

It is acknowledged that parents whose employment requires them to work outside of standard business hours require more flexible models of childcare. However, any proposal to bring nannies within the scope of the NQF will require careful consideration as it has significant ramifications for the delivery of quality ECEC.

DR 8.7 The Australian Government should simplify working holiday visa requirements to make it easier for families to employ au pairs, by allowing au pairs to work for a family for the full 12 month term of the visa, rather than the current limit of six months.

As noted above in relation to Draft Recommendation 8.5, this Recommendation will also require careful consideration. The distinction between nannies and au pairs is noted, with the au pair role often involving the expectation of house-keeping in addition to childcare.

4 ADDITIONAL NEEDS CHILDREN AND SERVICES

DR 5.1 Generally, Australian children are doing well developmentally and most are well prepared to begin formal schooling. Those who are less well prepared tend to be Indigenous children, children living in socio-economically disadvantaged communities, children living in very remote areas and children from non-English speaking backgrounds. There is likely to be overlap across these groups.

Draft Finding 5.1 is supported in-principle. One-third of Tasmanian families reside in the lowest socio-economic status (SES) communities as measured by the ABS's SEIFA measure. Furthermore, nearly half of Tasmanian Aboriginals live in the lowest SES communities.

However, caution needs to be taken when interpreting the Australian Early Development Census (AEDC) for Indigenous children, as Tasmanian data is small and therefore can be misinterpreted.

These factors need to be taken into account when comparing educational outcomes at a jurisdictional level.

DR 12.6 The Australian Government should establish three capped programs to support access of children with additional needs to ECEC services.

- The Special Early Care and Learning Subsidy would fund the deemed cost of meeting additional needs for those children who are assessed as eligible for the subsidy. This includes funding a means tested proportion of the deemed cost of mainstream services and the 'top-up' deemed cost of delivering services to specific groups of children based on their needs, notably children assessed as at risk, and children with a diagnosed disability.*
- The Disadvantaged Communities Program would block fund providers, in full or in part, to deliver services to specific highly disadvantaged community groups, most notably Indigenous children. This program is to be designed to transition recipients to child-based funding arrangements wherever possible. This program would also fund coordination activities in integrated services where ECEC is the major element.*
- The Inclusion Support Program would provide once-off grants to ECEC providers to build the capacity to provide services to additional needs children. This can include modifications to facilities and equipment and training for staff to meet the needs of children with a disability, Indigenous children, and other children from culturally and linguistically diverse backgrounds.*

Funding to support children with additional needs in childcare is currently an Australian Government responsibility.

The Tasmanian Government provides an Early Childhood Intervention Service for children with severe disabilities and those with high and additional needs. Support for such children who

attend kindergarten (preschool) is jointly funded, with the additional five hours supported through universal access.

It needs to be established how the National Disability Insurance Scheme (NDIS) and funding for eligible pre-school students (in schools) will be aligned with the three capped programs proposed. It is noted that programs that include building the capacity of staff (eg the Inclusion Support Program) are generally the most effective and sustainable.

IR 12.7 The Commission seeks views on the best way to allocate a fixed funding pool to support the ECEC access of children with additional needs and deliver the greatest community benefit. This includes views on the best option for allocating the Special Early Care and Learning Subsidy payments for children with disabilities to ensure that the program enables as many children with disabilities as possible to access mainstream ECEC services.

Any allocation method for a fixed funding pool will need to be underpinned by transparent processes which are: understood by all stakeholders, flexible to meet individual or diverse needs, and equitable in terms of access especially for those living in rural or remote areas.

The interface between the NDIS and mainstream service systems, including the childcare system, is yet to be determined by governments. The Special Early Care and Learning Subsidy (SECLS) is one of the areas identified by the National Disability Insurance Agency as an issue when considering whether to fund specific (ie individualised) or generic (ie capacity building or block-funded) supports for children with disability in childcare settings. Allocation of a fixed funding pool should be considered in the context of the NDIS and lessons learned from the current NDIS trials.

DR 12.7 The Australian Government should continue to provide support for children who are assessed as 'at risk' to access ECEC services, providing:

- a 100 per cent subsidy for the deemed cost of ECEC services, which includes any additional 'special' services at their deemed cost, funded from the Special Early Care and Learning Subsidy program*
- up to 100 hours a fortnight, regardless of whether the families meet an activity test*
- support for initially 13 weeks then, after assessment by the relevant state or territory department and approval by the Department of Human Services, for up to 26 weeks.*

ECEC providers must contact the state or territory department with responsibility for child protection within one week of providing a service to any child on whose behalf they apply for the 'at risk' Special Early Care and Learning Subsidy. Continuation of access to the subsidy is to be based on assessment by this department, assignment of a case worker, and approval by the Department of Human Services. The Australian Government should review the adequacy of the program budget to meet reasonable need annually.

The recommendation that full subsidies for children assessed as 'at risk' may be provided conditional on an assessment of 'at risk' by state or territory departments responsible for child

protection is of concern. Determinations of risk by Child Protection Services are not designed to be a mechanism to determine eligibility for provision of subsidies. Being at educational risk because of general disadvantage, a matter for which participation in ECEC is well indicated, is not the province of Child Protection Services.

All ECEC providers in Tasmania are mandated reporters and, as such, are required to report concerns of risk of significant harm to children. If there is sufficient evidence to warrant involvement of Child Protection Services through the identification of a risk to a child, Child Protection Services will take action to ensure the safety and wellbeing of that child.

It is acknowledged that the recommendation is an attempt to ensure that highly vulnerable children are ensured ongoing access to ECEC. However, the proposed approach risks creating a mechanism whereby a family can only secure assistance when their child is defined as directly at risk of harm – a status which has statutory implications. Best practice suggests that families are ideally supported through early intervention services providing support prior to statutory intervention; the recommended approach stands in direct opposition to this approach.

Mechanisms whereby full subsidies for ECEC can be provided to vulnerable children as part of intensive intervention plans led by approved intensive family support services could also be explored.

DR 12.8 The Australian Government should continue to provide support for children who have a diagnosed disability to access ECEC services, through:

- access to the mainstream ECEC funding on the same basis as children without a disability and up to a 100 per cent subsidy for the deemed cost of additional ECEC services, funded from the Special Early Care and Learning Subsidy*
- block funded support to ECEC providers to build the capacity to cater for the needs of these children, funded through the Inclusion Support Program.*

The relevant Government agency should work with the National Disability Insurance Agency and specialist providers for those children whose disability falls outside the National Disability Insurance Scheme, to establish a deemed cost model that will reflect reasonable costs by age of child and the nature and extent of their disability. Based on an assessment of the number of children in need of this service, and the costs of providing reasonable ECEC services, the Australian Government should review the adequacy of the program budget to meet reasonable need annually.

The Tasmanian Government notes that the interface between the childcare system and NDIS is still to be determined by governments, and will be informed by lessons learned from the NDIS trials. It is also noted that not all students with additional needs/disability will meet the NDIS criteria.

IR 12.8 The Commission seeks views on what types of services (that are not the funding responsibility of the National Disability Insurance Scheme) should be provided for children with a diagnosed disability attending ECEC, and how best to prioritise available funding. It also seeks information on the range of needs and the costs of meeting these needs for children of different ages and by the nature and extent of their disability.

Therapy Services (allied health) and Respite Support (holiday care programs), particularly for those students with additional/special needs who are not eligible for NDIS, could also be considered.

The Tasmanian Government notes that the interface between the childcare system and NDIS is still to be determined by governments, and will be informed by lessons learned from the trials.

DR 13.1 The Australian Government should continue support for the current block funded ECEC services for Indigenous children to assist their transition to mainstream ECEC funding (where there is a viable labour market).

Regulatory authorities should work with providers to assist them in satisfying the National Quality Framework and managing the transition to child-based funding arrangements.

If Australian Government support for the current block funded ECEC services for Indigenous children is to be continued, it will result in increased responsibility and cost to regulatory authorities. Even though this scenario was anticipated under the National Partnership, jurisdictions will require appropriate resources to undertake this role.

IR 8.1 The Commission seeks further information on the nature of the barriers faced by families with children with additional needs in accessing appropriate ECEC services and the prevalence of children with additional needs who have difficulty accessing and participating fully in ECEC. Information on the additional costs of including children with additional needs is also sought.

Tasmanian families have expressed difficulty in accessing holiday care programs for students with disability because programs are either not available or not physically accessible.

IR 12.9 The Commission seeks information on whether there are other groups of children that are developmentally vulnerable, how they can be identified, and what the best way is to meet their additional needs.

Aside from children with disability, other groups of children who may be developmentally vulnerable may include:

- Aboriginal children;
- children from culturally and linguistically diverse backgrounds;
- children from regional and remote areas;
- homeless children;
- children engaged with the child protection system; and
- children in family violence situations.

DR 5.2 Governments should plan for greater use of integrated ECEC and childhood services in disadvantaged communities to help identify children with additional needs (particularly at risk and developmentally vulnerable children) and ensure that the necessary support services, such as health, family support and any additional early learning and development programs, are available.

Consideration would need to be given to providing extra Australian Government funding for childcare providers to accommodate children with additional needs.

The Tasmanian Government has established Child and Family Centres (CFCs)¹² where families with children from birth to age five can access a range of services. The purpose of CFCs is to improve the health and wellbeing, education and care of Tasmania's very young children by supporting parents and enhancing accessibility of services in the local community. The CFCs are located in at-risk communities across Tasmania to help families with barriers to participation.

IR 8.2 The Commission is seeking feedback on the role that integrated services can play in making ECEC more accessible for families. In particular, the Commission is interested in:

- the extent to which integrating ECEC services with other family services and schools will deliver benefits to families and/or ECEC providers, and in particular, Indigenous and potentially other disadvantaged communities*
- views on the best way to fund integrated services that provide ECEC, including whether child-based funding would be an appropriate funding model*
- how funding could be apportioned across activities operating within an integrated service, including for the coordination of services, the management of administrative data and an evaluation of outcomes.*

Tasmania's CFCs provide integrated services to families and their young children. The CFCs have partnerships with the Department of Health and Human Services and other non-government providers to deliver these integrated services. Education and care are co-located on some of these sites. Currently the CFC model is in its early stages of implementation and an evaluation of the impact of these centres is in progress. Tasmania is not in a position to provide further details on the future funding arrangements at this time.

5 PRESCHOOL – SUPPORTING UNIVERSAL ACCESS

DF 5.2 Participation in a preschool program in the year before starting formal schooling provides benefits in terms of child development and a successful transition to school.

Any decision to extend the universal access arrangement to younger children should be based on an analysis of the effectiveness of the existing arrangements in improving development outcomes and from evidence drawn from relevant Australian and overseas research. This would assist in determining how preschool should ultimately be integrated into the school based education system.

Participation in a preschool program in the year before starting formal schooling provides benefits in terms of child development and a successful transition to school. As noted earlier, in Tasmania the kindergarten (pre-school) year has a high participation rate (95 per cent).

¹² Detailed information on the CFCs was provided in the DPAC Response to the PC Issues Paper (No. 390) at Attachment 2.

The benefits of early learning programs are evident through the Launching into Learning Longitudinal (LiL) Study¹³, which demonstrates that regular participation in LiL gives children a significant boost in general development, reading and maths performance. These improvements are sustained through Kindergarten (Kindergarten Development Check), Prep (Performance Indicators in Primary Schools) and Year 3 (NAPLAN).¹⁴

DR 12.9 The Australian Government should continue to provide per child payments to the states and territories for universal access to a preschool program of 15 hours per week for 40 weeks per year. This support should be based on the number of children enrolled in state and territory government funded preschool services, including where these are delivered in a long day care service.

The Australian Government should negotiate with the state and territory governments to incorporate their funding for preschool into the funding for schools, and encourage extension of school services to include preschool.

The Tasmanian Government strongly supports Draft Recommendation 12.9. Tasmanian kindergartens are embedded in every primary government and non-government school site. The State bears the full cost for the statewide provision of kindergarten infrastructure, staffing and programs (including the delivery of the 10 hours). Under the National Partnership on Universal Access, Commonwealth funding currently enables the delivery of five additional hours on top of the 10 hours already funded by the State.

The Tasmanian Government supports the recommendation that funding for preschool be incorporated into the funding for schools as kindergartens are part of schools. The current Tasmanian model means that the Australian Government does not pay CCB/ CCR for the time children are in kindergarten.

Any longer term decision making by the Australian Government needs to ensure there is equity across systems. This may require consideration as to whether systems of schools and schools should be eligible for the child-based subsidy.

DR 12.10 The Australian Government should provide per child preschool payments direct to long day care services for 15 hours per week and 40 weeks per year, where long day care services do not receive such funding from the states and territories.

Careful consideration will be required as to how to manage those long day care services that provide 'preschool programs' as this has the capacity to affect funding allocations. To ensure equity across states and territories, consideration needs to be given to how this funding would be provided to schools.

¹³ The *Launching into Learning Longitudinal Study 2007-2014 Progress Report 2012* is part of the ongoing longitudinal study of the Launching into Learning (LiL) program. It is a progress report that concentrates on the 2010 LiL cohort, the fourth cohort to be evaluated.
<https://www.education.tas.gov.au/documentcentre/Documents/Launching-into-Learning-Longitudinal-Study-2007-2014-Report-2012.pdf>

¹⁴ The study, looked at 1524 students who regularly participated in LiL programs in 2010 across 114 schools, and the effect their participation had on their performance at Government schools as measured by the Kindergarten Development Check (KDC), Performance Indicators in Primary Schools (PIPS) in 2012.

DR 5.1 Payment of a portion of the Family Tax Benefit Part A to the parent or carer of a preschool aged child should be linked to attendance in a preschool program, where one is available.

As kindergarten is delivered within the government and non-government school systems in Tasmania, linking the payment of Family Tax Benefit A to attendance is likely to have minimal impact in Tasmania due to very high proportion of four year olds (95 per cent) attending kindergarten.

DR 7.9 Dedicated preschools should be removed from the scope of the National Quality Framework and regulated by state and territory governments under the relevant education legislation. The quality standards in state and territory education legislation should broadly align with those in the National Quality Framework. Long day care services that deliver preschool programs should remain within the National Quality Framework.

Tasmania is currently undertaking work in this area and would welcome the opportunity to explore further 'broad alignment'. It is anticipated both the 2014 Review and the work being undertaken through the ACECQA's jurisdictional working groups will address issues of regulatory burden and support increased national consistency of practice.

The Tasmanian Government considers policy and administrative arrangements to be more appropriate for setting out quality standards than state education legislation. This ensures that the Tasmanian Government can meet the spirit of the national framework but retain flexibility for the school system without increasing regulatory burden. It is also important to note that quality standards for schools are not set out in the Tasmanian *Education Act 1994* in the same way they are under the Education and Care Services National Law. However the intent and desired outcomes of the national quality standards can be achieved without a replicated legislative structure.

IR 12.10 The Commission seeks views on how best to transition to full state and territory responsibility for preschool delivered in long day care services as well as in dedicated preschools. This includes a transition to the provision of preschool at no cost to parents, in those dedicated preschools attached to public primary schools.

In relation to the 'transition to the provision of preschool at no cost to parents', it is noted that children in Tasmania have a legal entitlement to attend kindergarten in a public school. Tasmanian public primary schools are prohibited under the Education Act from charging fees (other than a small levy)¹⁵.

¹⁵ See Tasmanian Context above for more detail.

6 OUTSIDE SCHOOL HOURS CARE

DR 7.4 Governments should develop and incorporate into the National Quality Framework a nationally consistent set of staff ratios and qualifications for those caring for school age children in outside school hours and vacation care services. These requirements should take into consideration ratios that are currently acceptable for children during school hours, the uncertainty surrounding the additional benefits of more staff and higher qualifications, and the valuable contribution that can be made to outside school hours care services by less qualified older workers and university/TAFE students.

Tasmania does not currently require qualifications for those caring for school age children in Outside School Hours Care (OSHC). The introduction of any new requirements would potentially require a Regulatory Impact Statement (RIS) and appropriate transitional provisions. Any changes to staff ratios would require consideration of the possible impacts and a full risk assessment.

DR 8.1 The Australian Government should ensure that the requirement (currently contained within the Child Care Benefit (Eligibility of Child Care Services for Approval and Continued Approval) Determination 2000) for most children attending an outside school hours care service to be of school age, is removed and not carried over into any new legislation.

As Draft Recommendation 8.1 refers to fee subsidies for families, it is primarily for these stakeholders and service providers to provide advice.

However, it would be necessary to ensure that such a measure does not (as a consequence) pose a risk to the health, wellbeing or safety of children under school age that would potentially attract subsidies through their attendance at an OSHC service.

OSHC facilities are designed and arranged to cater for school aged children. The inclusion of children under school age may result in the need to modify/adapt facilities (potential cost) to meet the requirements under the Education and Care Services National Law for this age group.

DR 8.2 State and territory governments should direct all schools to take responsibility for organising the provision of an outside school hours care service for their students (including students in attached preschools), where demand is sufficiently large for a service to be viable.

Tasmania has a significant uptake of OSHC on school sites already, with 108 OSHC services on schools sites (government and non-government). This represents 74 per cent of OSHC services in Tasmania.

Government schools in Tasmania operate as part of a devolved school system and, therefore, would not be directed in the way envisaged in the Draft Recommendation. They are encouraged to consider the needs and expectations of their school community and the level of services currently in the community.

7 REMOVAL OF ECEC ASSISTANCE TO SOME PROVIDERS

DR 8.6 The Australian Government should remove the In-Home Care category of approved care, once nannies have been brought into the approved care system.

Should the In-Home Care category of approved care be removed, this will have a major impact on the Tasmanian families¹⁶, who currently use In-Home Care approved services. Many of these families consist of shift workers, chronically or terminally ill, or those with high level additional needs. These families may not have the capacity to access or support nannies; affordability may also be an issue.

If current users of the In-Home Care model are to be captured under the proposed inclusion of nanny services, the main consideration will be the level of monitoring and support provided. Currently under In-Home Care model, a co-ordination unit provides this function. However this does not appear to be a component of the proposal to include nannies in the NQF's scope

DR 10.1 In line with the broad level recommendations of the Productivity Commission's 2010 study into the Contribution of the Not for Profit Sector, the Australian Government should remove eligibility of not-for-profit ECEC providers to Fringe Benefit Tax exemptions and rebates.

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.

Tasmania has a higher proportion of community-based, not for profit childcare providers (70 per cent) than other jurisdictions. Changes to payroll exemptions would have significant cost implications for the not-for-profits, and may negatively impact on the viability of childcare services in Tasmania.

Furthermore, the removal of payroll exemptions on an industry specific basis, rather than as part of a review of the whole Not for Profit (NFP) sector, could promote inequality amongst NFPs and create inconsistencies.

Tasmania's *Payroll Tax Act 2008* is harmonised with the majority of other Australian jurisdictions. As such, any changes to broaden the payroll tax base by removing these exemptions would need to occur at a nationally harmonised level.

¹⁶ Currently 124 families are registered for in home care in Tasmania covering 297 children.

DR 12.1 The Australian Government should remove section 47(2) from the Fringe Benefits Tax Act 1986, that is, the eligibility for Fringe Benefit Tax concessions for employer provided ECEC services. It should retain section 47(8), which enables businesses to purchase access rights for children of their employees without this being considered an expenditure subject to the Fringe Benefits Tax.

The State Service Employer notes the Commission's finding that the Fringe Benefit Tax provisions, though not used by the Employer, are typically of benefit only to very high income earners (with salaries over \$180 000 per annum).

8 WORKFORCE PARTICIPATION

DF 6.1 The workforce participation rate of mothers with children aged under 15 years has grown substantially in recent decades, in line with that for all women. However, the participation rate of mothers is below that of fathers and women without children. The employment rate of Australian mothers is also below the OECD average.

The Tasmanian Government does not presently have access to this level of disaggregated data around mothers' and fathers' workforce participation in Tasmania. However, Census data is available on labour force participation by gender which reflects a lower rate of employment of women.¹⁷ At Census in 2011 there were 217 298 people employed in Tasmania. Of these people 113 074 (52 per cent) were men and 104 224 (48 per cent) were women.

There were 126 465 people in full-time employment. Of these people, 82 162 (65 per cent) were men and 44 303 (35 per cent) were women. There were 76 382 people in part-time employment, of which 52 537 (69 per cent) were women and 23 845 (31 per cent) were men. This is consistent with national data showing that many parents with young children, particular mothers, tend to take time out of the workforce, or reduce their level of participation for a period of time while their children are young.¹⁸

More recent labour force participation rates from the ABS show that in July 2013 women had lower labour force participation rates than men in all Australian states and territories, although the rates of participation varied.

The ABS defines an underemployed worker as a part-time employee who works less than 35 hours per week and who wants, and is available for, more hours of work than they currently have. Full-time workers who have had their work hours reduced for economic reasons are also considered underemployed. In September 2012 there were 14 600 underemployed females and 8 500 underemployed males in Tasmania.¹⁹

¹⁷ Australian Bureau of Statistics 2011 Census of Population and Housing, Basic Community Profile (Tasmania), Catalogue 2001.6, Table B42, ABS, Canberra.

¹⁸ Australian Bureau of Statistics Australian Social Trends 4102.0 June 2010.

¹⁹ Australian Bureau of Statistics, Labour Force, Australia 2013, Catalogue 6202.0, Table 12, ABS, Canberra.

DF 6.3 Roughly 165 000 parents (on a full-time equivalent basis) with children aged under 13 years could potentially be added to the workforce, but are not able to be, because they are experiencing difficulties with the costs and accessibility of suitable childcare.

While DoE regulates childcare in Tasmania, it does not collect data regarding its cost or accessibility as this historically has been an Australian Government responsibility. Anecdotally there is an oversupply of childcare places in the North West and North of Tasmania, and in some parts of the South. It is understood there are issues relating to supply in some parts of Hobart and in particular age groups.

A recent report into childcare affordability in Australia²⁰ has found that the cost of childcare, loss of government benefits and increased personal income taxation can mean that as the secondary earner (usually the female), or single parent, increases their working hours, for some the financial return from paid work can be negligible. The report has also found that while childcare subsidies have contained out-of-pocket costs, the ability of government assistance to improve affordability and female participation in the workforce is considerably compromised by the ability of childcare providers to react to increased subsidies with increased prices.

DR 6.1 The Fair Work Ombudsman, and employer and employee associations should trial innovative approaches to:

- *increase awareness about the 'right to request flexible work arrangements' and individual flexibility arrangements under the Fair Work Act 2009 and National Employment Standards*
- *promote positive attitudes among employers, employees and the wider community towards parents, particularly fathers, taking up flexible work and other family-friendly arrangements.*

The State Service Employer provides accessible information about flexible work arrangements to employees through induction, publication on agency websites, through the State Service Management Office website, the Tasmanian Industrial Commission website, and through public sector unions.

The State Service Employer is open to trialling innovative approaches to prompting positive attitudes to parents, especially fathers. Positive attitudes to parenting help breakdown stigma of part-time and flexible work arrangements for both men and women. National data shows that the increase of the use of flexible working hours was 'particularly evident amongst employed fathers, increasing from 18 per cent in 1999 to 30 per cent in 2008.'²¹

IR 6.1 The Commission seeks participants' views on impediments to employers providing flexible work arrangements for parents.

The Tasmanian Government notes that some possible impediments to such flexible arrangements for parents include:

- the nature of particular duties and responsibilities;
- whether some of the more senior roles are able to have such flexible arrangements; and

²⁰ Childcare Affordability in Australia, AMP-NATSEM Income and Wealth Report, Issue 35, June 2014.

²¹ Australian Bureau of Statistics Australian Social Trends 4102.0 June 2010.

- the availability of suitable resources such as equipment and the environment.

The Employer of State Service employees provides a great deal of flexibility for its workforce including many options for flexible work arrangements for parents.

Around 70 per cent of State Service employees are women, and around 47 per cent of all employees work part-time.

Industrial provisions concerning workload management, work-life balance, workplace flexibility arrangements, and a range of generous leave entitlements are available to employees.

A large number of parents access flexitime, over time and penalty rates, and time off in lieu of payment for overtime to help balance their work and family obligations. There is also an accumulated leave scheme and flexible long service leave.

For some arrangements, the State Service Employer may only refuse a request by an employee on reasonable grounds related to the effect on the workplace or the employer's business. Such grounds might include cost, lack of adequate replacement staff, loss of efficiency and the impact on service delivery. Other potential impediments include insufficient period of service or notice by the employee.

Despite the State Service Employer's efforts, some employees find it difficult to achieve the flexibility they desire because of external and structural barriers, including lack of transport and/or suitable childcare.

10 QUALITY ASSURANCE PROCESSES AND REGULATION OF ECEC

DR 7.8 Governments should extend the scope of the National Quality Framework to include all centre and home based services that receive Australian Government assistance. National Quality Framework requirements should be tailored towards each care type, as far as is feasible, and minimise the burden imposed on services.

Apart from the Budget Based Funded services (BBF), Tasmania only has a small number of services that receive Australian Government assistance that are not yet part of the NQF. These services will require significant support to move to the NQF; the cost and resource implications will require consideration.

DR 7.1 To simplify the National Quality Standard, governments and ACECQA should:

- *identify elements and standards of the National Quality Standard that can be removed or altered while maintaining quality outcomes for children*
- *tailor the National Quality Standard to suit different service types — for example, by removing educational and child-based reporting requirements for outside school hours care services.*

Through existing ACECQA working groups, clarification of some of the more subjective aspects of the National Quality Standard (NQS) is in progress. A number of Guidance Notes have already been published to assist authorised officers in their assessment decisions. Jurisdictions are working with ACECQA to support national consistency of process and shared understanding. It is expected the 2014 Review of the NQF will continue to progress this work, including potential streamlining of the NQS.

Tailoring the NQS to suit different service types has the potential to diminish the strength of the NQF in promoting better outcomes for all children irrespective of service type. The 2014 Review is providing an opportunity to clarify the way assessment of quality outcomes across service types can be achieved, rather than changing the National Quality Standard.

DR 7.2 Requirements for educators in centre-based services should be amended by governments such that:

- all educators working with children aged birth to 36 months are only required to hold at least a certificate III, or equivalent*
- the number of children for which an early childhood teacher must be employed is assessed on the basis of the number of children in a service aged over 36 months.*

Draft Recommendation 7.2 does not make any reference to the diploma qualification which has been a requirement in most jurisdictions (including Tasmania) for long day care centres for many years.

As it stands, the recommendation that 'all educators working with children aged birth to 36 months are **only** required to hold at least a certificate III, or equivalent' is contrary to the current research evidence on the value of staff qualifications.

Careful consideration will be required to understand the impact of the recommendation that 'the number of children for which an early childhood teacher must be employed is assessed on the basis of the number of children in a service aged over 36 months'. It may prove difficult to monitor the 'number of children' ie whether this means *actual* children or *potential* children. This may be seen by ECEC advocates as 'winding back' the recent gains, running counter to the research, and not recognising the importance of the first three years.

DR 7.3 Differences in educator-to-child ratios and staff qualification requirements for children under school age across jurisdictions should be eliminated and all jurisdictions should adopt the national requirements.

Tasmania is currently transitioning to the national ratio and qualification requirements, which are being implemented over time. Given the lengthy discussions and consultations which occurred at the time the NQF was developed, it may be difficult to gain consensus across all jurisdictions.

DR 7.5 To provide services with greater flexibility to meet staffing requirements, ACECQA should:

- remove the requirement that persons with early childhood teacher qualifications must have practical experience for children aged birth to twenty four months*
- explore ways to make the requirements for approving international qualifications simpler and less prescriptive in order to reduce obstacles to attracting appropriately qualified educators from overseas.*

All governments should allow services to temporarily operate with staffing levels below required ratios, such as by maintaining staffing levels on average (over a day or week), rather than at all times.

The New South Wales and South Australian Governments should allow a three month probationary hiring period in which unqualified staff may be included in staff ratios before beginning a qualification, as was recently adopted in all other jurisdictions.

The removal of the requirement that persons with early childhood teaching qualifications must have practical experience for children aged birth to 24 months would have a considerable impact on those registered training organisations and universities that have invested in developing courses to meet the existing requirement. The University of Tasmania has implemented this requirement since 2010. There is already anecdotal evidence of this practical experience having positive benefits.

Consideration should be given to the possible consequences of allowing services to temporarily operate with staffing levels below required ratios. This potentially poses a high risk to children and has been the subject of significant discussion nationally. It would be beneficial to provide a reasonable interpretation of 'at all times'.

DR 7.6 Governments and ACECQA should:

- *urgently reconsider the design of the assessment and ratings system, giving particular consideration to finding ways to increase the pace of assessments*
- *explore ways to determine services' ratings so they are more reflective of overall quality*
- *abolish the 'Excellent' rating, so that 'Exceeding National Quality Standard' is the highest achievable rating.*

The Tasmanian Government is currently involved in several national working groups, including the current 2014 Review of the NQF, to address a range of recommendations regarding assessment and rating of services. Discussions are continuing on the rationale for the removal of the 'excellent' rating and the implications for the NQF.

DR 7.7 Governments, ACECQA and regulatory authorities, as applicable, should:

- *abolish the requirement for certified supervisor certificates*
- *provide more detailed and targeted guidance to providers on requirements associated with Quality Improvement Plans, educational programming, establishing compliant policies and procedures and applying for waivers*
- *explore potential overlaps between the National Quality Framework and state and local government requirements as part of the ongoing review of the Framework, and ensure any identified overlaps are eliminated*
- *review:*
 - *ways that services with higher ratings ('Exceeding National Quality Standard') could be relieved of some paperwork requirements, where these are less important to ensuring quality given the service's compliance history*
 - *removing the requirement for outside school hours care services operating on school facilities to provide site plans as a condition of service approval.*

As noted above in DR 7.6, the Tasmanian Government is currently participating in the review working groups to discuss the above recommendations.

DR 7.10 State and territory governments should, as a matter of priority, harmonise background checks for ECEC staff and volunteers by either:

- *advancing a nationally consistent approach to jurisdiction-based 'working with children checks' as proposed in the National Framework for Protecting Australia's Children, including mutual recognition of these checks between jurisdictions, or*
- *implementing a single, nationally recognised 'working with children check'.*

The Working with Children Checks is being phased in across Tasmania from 1 October 2014 in line with the *Registration to Work with Vulnerable People Act 2013*. The childcare sector is the first sector to be brought in to the new arrangements.

It is noted that the Royal Commission into Institutional Responses to Child Sexual Abuse recently considered the issue of a national or nationally consistent approach to recruitment and pre-employment screening (Interim Report, 30 June 2014, page 130).

This issue was the subject of a national Roundtable convened by the Royal Commission and chaired by the Chief Commissioner, Justice McLellan on 16 June 2014.

Broadly the outcomes of the Roundtable are to:

- prioritise the sharing of negative assessments across jurisdictions;
- establish, perhaps via CrimTrak, the establishment of a national database of negative notices; and
- develop an approach similar to the Australian Consumer Law (ACL) – that is a minimum law which is not to be compromised, but allows for local higher standards based on local risk factors .

The implementation of a single national check is not completely supported as it does not allow for the local risk factors to be brought to play and these can be significant in Child Abuse. The ACL approach does however achieve a high degree of harmonisation without losing the ability to act locally to circumstances. All state and territory representatives at the Roundtable indicated a high level of support for the further consideration of a model based on the ACL approach.

Tasmania will continue to work with the Australian Government and other states and territories in refining and enhancing an appropriate system for the Working with Children Checks that enables sharing of information on a national basis.

DR 7.11 Governments should remove those food safety requirements in the National Regulations that overlap with existing state and territory requirements.

State and territory governments, in conjunction with Food Standards Australia New Zealand, should explore the possible exemption of childcare services from Standard 3.3.1 of the Australian food safety standards, as in New South Wales.

Current food safety requirements in the regulations are not prescriptive. Further exploration of potential overlap in these requirements is supported.

DR 7.12 Local governments should adopt leading regulatory practices in planning for ECEC services. In particular, local governments should:

- use planning and zoning policies to support the co-location of ECEC services with community facilities, especially schools*

The planning scheme template for Tasmania - Planning Directive No.1 (PDI) – includes childcare and other similar uses within the singular Use Class “Educational and occasional care”. This is defined as:

‘use of land for educational or short-term care purposes. Examples include a childcare centre, day respite facility, employment training centre, kindergarten, primary school, secondary school and tertiary institution’.

Consequently, all new PDI planning schemes are expected to apply the same spatial controls to all uses within the same class thereby facilitating co-location.

- use outcomes based regulations to allow services flexibility in the way they comply with planning rules, such as in relation to parking*

PDI planning schemes provide both acceptable solutions (deemed to comply) and performance based outcomes which enable flexibility in the application of parking and other standards.

- not regulate 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*

Controls on internal building issues are not included in Tasmania’s planning schemes.

- not impose regulations that interfere with the operation of the ECEC market, such as by restricting the maximum number of permitted childcare places in a service*

The use definition is not based on numbers of childcare places, but there may be conditions placed on permits for establishing operations in certain zones to protect the amenity of the area (eg in a residential zone) or the safety of a road, which limit the size of the operation. These are considered appropriate controls on the market for broader community safety, environmental and social issues.

- provide clear guidelines for the assessment of development proposals in relation to ECEC services, and update these guidelines regularly.*

State planning departments should, as in Victoria, develop flexible standard planning provisions that can be applied across local governments to ensure some level of consistency; and scrutinise amendments to local planning schemes that might seek the introduction of different standards to guard against potentially costly requirements being imposed.

PDI planning schemes provide a framework for the Tasmanian Government to develop and implement statewide planning provisions. The provisions can clearly articulate consistent standards for assessing developments dependent on the zones in which they are proposed to be located. PDI planning schemes allow developments to be assessed against specific performance criteria where they do not comply with the prescribed acceptable solutions.

This statewide approach will enable the Tasmanian Government to maintain a consistent approach to the issue through mandated standards.

DR 11.1 Governments should ensure, through regulatory oversight and regular audits by the Australian Skills Quality Authority, that Registered Training Organisations maintain consistently high quality standards in their delivery of ECEC-related training.

All registered training organisations operating in Tasmania are subject to regulation by the Australian Skills Quality Authority to ensure compliance with the relevant standards.

In addition, all registered training organisations in receipt of State Government subsidies to support training delivery are required to be Endorsed Training Providers as demonstrated by their ability to meet the training quality standards established by Skills Tasmania.

II ONGOING SUPPORT FOR EVALUATION AND PROGRAM ASSESSMENT

DR 5.4 Early intervention programs to address the development needs of children from disadvantaged backgrounds should be underpinned by research. Their impact on the development outcomes of the children attending should be subject to ongoing monitoring and evaluation, including through the use of longitudinal studies.

Draft Recommendation 5.4 is supported subject to appropriate data protection methods and that consultation occurs with relevant key stakeholders to link any research to jurisdictional strategic aims.

DR 13.2 The Australian Government should establish a program to link information for each child from the National ECEC Collection to information from the Child Care Management System, the Australian Early Development Index, and NAPLAN testing results to establish a longitudinal database.

Subject to appropriate data protection methods, this information should be made available for research, policy analysis and policy development purposes. The ability of researchers to access unit record information should be permitted subject to stringent privacy and data protection requirements.

The Australian Government agency, which is the custodian of the Child Care Management System, should provide a de-confidentialised extract from the database each year that interested parties can use for research and planning purposes.

The Tasmanian Government supports Draft Recommendation 13.2 as it will build on work already undertaken by the Tasmanian Government in a number of state and national data integration projects. These projects include collaboration between the Tasmanian Department of Education, the South Australian Department of Education and Child Development and the Australian Government Department of Education to build system capacity to integrate early childhood education and care datasets to inform policy and program management.

The recommendation would also complement the Transforming Education and Training Information in Australia (TETIA) initiative and, in particular, build on the work undertaken by Tasmanian Department of Education and the ABS to link Tasmanian school enrolment data with the Census of Population and Housing.

DR 13.3 The Australian Government should review the operation of the new ECEC funding system and regulatory requirements after they have been implemented. In particular:

- within 2 years of introducing subsidies based on deemed cost of care, the accuracy of the deemed costs and appropriateness of the selected indexation approach should be examined and the existence of any adverse unintended outcomes should be identified and resolved*
- within 3 years of extending the coverage of the National Quality Framework (including to current block funded services and to nannies), ACECQA should prepare a report identifying any legislative, regulatory or procedural difficulties arising from the wider coverage of the National Quality Framework*
- within 5 years of implementing the new ECEC funding system and regulatory requirements, the Australian Government should undertake a public review of the effectiveness of the revised arrangements.*

Provision for the review of any new system is important. However such strategies must be appropriately resourced and appropriately timed to ensure reviews are thorough, robust and do not duplicate the existing NQF review requirements and take account of the findings of parallel reviews where relevant, including the McClure Review on Australia's Welfare System McClure Review; the Forrest Review of indigenous training and employment programs, and the White Papers on Reform of the Federation and on Tax Reform.