

2 December, 2005

The Regulation Taskforce
PO Box 282
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By email: info@regulationtaskforce.gov.au

Dear Regulation Taskforce

A.B.C. Learning Centres Ltd (ABC Learning Centres) welcomes the establishment of this Taskforce and is pleased to offer our suggestions on where and how regulation reform can help early learning and parenting-support businesses.

As suggested in the Taskforce brief, our submission:

- Identifies specific Commonwealth Government regulation which we believe can be made less burdensome, less complex, and less duplicated by State-level regulation;
- Examines how to reduce duplication and increase harmonisation within existing regulatory frameworks;
- Canvasses practical options for alleviating the Commonwealth's regulatory compliance burden.

We begin by relating our comments to the policy environment.

The Policy Context

ABC Learning Centres agrees with the idea that Australia's prosperity depends on the ability of all governments to embrace reform that addresses the areas of participation and productivity.

Australia's early childhood development and parenting-support systems (called 'childcare') are central to improving participation and productivity.

If Australia can find ways to improve its already world-class childcare systems, those improvements will improve Australia's participation and productivity rates.

Should the Taskforce be looking for it, good support for that proposition can be found in the Victorian Premier's "*A Third Wave of National Reform*", 2005, at p 34:

"The ageing of the population makes it critical that people are engaged in learning from early childhood to late adolescence, and throughout their working lives."

"An important policy objective is therefore to ensure that every child, young person and adult maintains and builds not only skills, but also an engagement with learning".

"A skilled workforce is critical to both labour force participation and improved productivity."

"Research by the Melbourne Institute [2004] ... suggests that raising educational attainment is the most important long-term policy to improve participation. It could raise the aggregate labour force participation rate by as

There are several starting places. One is by improving the design and enforcement of government regulation.

Australia's public and private sectors have already invested in world-class infrastructure for addressing the health, education and development needs of young children as well as for addressing parenting and parent support.

The Australian Government has helped build a partnership that blends public sector strengths in funding and regulation with private sector strengths in customising service-delivery.

But what Australia lacks is a world-class system for coordinating the design of regulation of childrens services either across different levels of government, or between governments and private-sector service-providers.

Improving that coordination will, we hope, be one of the primary objectives for this Taskforce.

The Taskforce is seeking information on:

1. What Australian Government regulation imposes unnecessary compliance burdens, and the way such regulation is unnecessarily burdensome, complex, or duplicated by other regulation.
2. Possible solutions that allow the achievement of legitimate policy objectives underlying the regulation but at less cost to business and parents.

The Regulation

The specific Australian Government regulation that imposes the highest degree of unnecessary compliance burden on us is the Quality Improvement and Accreditation System (QIAS).

We understand that details of the relevant legislation, policy and administration are set out in the submission of Child Care New South Wales so we do not repeat them here.

Burden

The National Childcare Accreditation Council (NCAC) is currently increasing the number of items that are checked as part of their inspection process from 592 to 712 separate indicators of quality.

So far as we are aware, that change in the standards has not been analysed as required under COAG's "*Principles and Guidelines for National Standard Setting and Regulatory Action*". As we understand it, the QIAS has never produced regulatory standards in compliance with those decision-making principles.

ABC Learning Centres has developed systems designed to alleviate the compliance burden on our primary contact staff. Even with those systems in place, however, we remain of the view that QIAS compliance is unnecessarily time-consuming.

We believe that what is needed is a mechanism for testing and assessing these changes in national standards. At the moment, it seems to us that what are in effect regulation changes are not being subjected to adequate regulatory impact analysis.

Complexity

The QIAS model is not designed to be a mechanism for testing and assessing these changes in national standards. At the moment, it seems to us that what are in effect regulation changes are not being subjected to adequate regulatory impact analysis.

It seems to us that the issue of duplication will not be addressed until the standards setting body is required to comply with the relevant COAG rules on regulation decision-making.

We note that the Australian government is currently reviewing its regulation review and reform processes, including the regulatory impact statement processes. The aim is to improve and strengthen such processes, enhancing consultation and reducing the regulatory burden on business and the community.

We ask the Taskforce to recommend that the QIAS be required to comply with such decision-making processes.

Solutions

In our opinion, the QIAS serves legitimate policy objectives.

ABC Learning Centres supports the stated objectives.

The solution, in our opinion, is to find ways to compel the NCAC to engage in proper regulation decision-making process. The unnecessary degree of burden, the complexity and the duplication are weakening the QIAS, as well as wasting time for service-providers.

We believe that eliminating such regulatory problems will not weaken the quality improvement system, it will strengthen it.

Concluding Remarks

ABC Learning Centre's biggest concern with our regulatory environment is the need for improved regulation decision-making process as a means to secure greater coordination and thus higher quality regulation that better understands and reflects the needs of child, parent, service-provider and government.

Although it is sensible to look for specific regulation causing trouble ,what that search ultimately reveals is the need for good-quality design , and from there to the realisation that the best way to ensure high-quality regulation is to design quality in at the front end, rather than trying to inspect it in after the event. That is, we believe, the systemic issue needing priority attention.

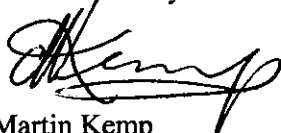
ABC Learning Centres also appreciates that any regulation-making system needs to accommodate the reality that Australia's current political systems value volume above quality.

We understand the complexities and remain hopeful that people who value the public benefits that can flow from good regulation decision-making will eventually find a way to make good decision-making happen.

We also believe there is no more important place to make it happen than with Australia's early child development and parenting support systems.

Thank you for the opportunities to share our ideas on how to improve the regulatory frameworks. The writer would be pleased to answer any questions the Taskforce may have.

Yours faithfully



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