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Australian Government
Department of Education,
Skills and Employment

Streamlining Early Childhood Education & Child Care Approval Processes across Jurisdictions

COAG Consultation Regulation Impact
Statement

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OFFICIAL

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Acronyms

ACECQA	Australian Children’s Education and Care Quality Authority
AESOC	Australian Education Senior Officials Committee
CBDC	Centre Based Day Care
CCS	Child Care Subsidy
CCSS	Child Care Subsidy System
DESE	Department of Education, Skills and Employment
ECEC	Early Childhood Education and Care
FAL	Family Assistance Law
FDC	Family Day Care
ECEC	Early Childhood Education and Care ¹
ECPG	Early Childhood Policy Group
ICT	Information and Communication Technology
IHC	In-Home Care
NL	National Law
NQA ITS	National Quality Agenda IT System
NQF	National Quality Framework
OBPR	Office of Best Practice Regulation
OSHC	Outside School Hours Care
PMC	Person with Management or Control of the Provider
RA	Regulatory Authority
RIS	Regulation Impact Statement

¹ For the purposes of this CRIS document, references to ECEC also include school aged education and care (i.e. OSHC)

Summary Guide

What is a RIS?

A RIS assesses the impact of potential changes in regulation. Regulation is any rule endorsed by government where there is an expectation of compliance.

A RIS must consider certain questions, which include:

- What is the problem you are trying to solve?
- Why is government action needed?
- What policy options are you considering?
- What is the likely benefit of each option?
- Who will you consult about these options and how will you consult them?
- What is the best option from those you have considered?
- How will you implement and evaluate your chosen option?

The content of this RIS corresponds to these questions.

Regulation Impact Statement process

The early assessment version of the RIS was submitted to OBPR for its review in August 2020. This version of the RIS will be used to form the basis of consultation predominantly with child care providers and peak bodies before a final decision is made by the Education Council regarding whether to proceed with the implementation of the Streamlined ECEC Approval Processes Across Jurisdictions project.

Guide to the document

This RIS is divided into 5 chapters:

- Chapter 1 – Background
This chapter describes the state of the Early Childhood Education and Care sector and current approval arrangements.
- Chapter 2 – Problems with Current Arrangements
This chapter identifies the problems with the current arrangements for the Early Childhood Education and Care sector, regulators and families.
- Chapter 3 – What are the reform options?
This chapter describes the three reform options including key features and proposed activities for each option.
- Chapter 4 – What is the impact of each option?
This chapter describes the benefits and costs/risks for each reform option.

- Chapter 5 – Who has been consulted?
This chapter focusses on the early childhood education and care sector as the principle commentator and provider of feedback. It also describes initial feedback received from the sector regarding the approval process.

Tables

Table 1 - Market Composition for CCS Approved Providers and Services

Table 2: Reform Options

Table 3: Potential CCS Revenue for Families

How to provide your feedback

For this phase of the review, organisations and individuals with an interest in the ‘Streamlining ECEC Approval Processes Across Jurisdictions’ proposal are invited to review the options and provide feedback through a national consultation process. This consultation process includes the following:

Written submission

Written submissions are being sought and can be emailed to:

CCSA-ChildCareServiceApprovals@dese.gov.au

All feedback will be used to develop the Decision RIS and assist governments in making decisions about what changes will be made.

More detail on the consultation that has informed the development of this Consultation RIS is located in Chapter 5.

1. Background

State of the Sector

The early childhood education and care sector touches the lives of most Australian families, with almost every child now participating in some form of child care before entering school, or afterwards through outside school hours care.

Historically, the Australian Government's policy focus on child care has been to support the workforce participation of parents to boost Australia's productivity. However, since the 1990s, the Government's role expanded to also focus on the quality of ECEC services and the role they play in early childhood development.

Currently, the Government is the primary funder of formal child care and early learning through fee assistance to parents, while states and territories have primary carriage of regulation and licencing, in addition to providing funding and subsidies to ECEC programs and services delivered within their jurisdiction.

The Australian Government and state and territory governments therefore have different roles and responsibilities in the early learning and child care sector. The primary role of the Australian Government is to provide families with financial assistance to help cover the cost of child care and to encourage workforce participation. The Australian Government is investing record sums to support Australian families to access quality child care and has recently introduced the most significant reforms to the early childhood education and care system in 40 years.

State and territory regulatory authorities are responsible for the approval, monitoring and quality assessment of ECEC services in their jurisdiction. They are also responsible for enforcing regulatory requirements to promote the health, safety and well-being of children, and provide families with confidence that their child is receiving quality education and care in a safe environment. States, territories and the Australian Government – supported by the Australian Children's Education and Care Quality Authority (ACECQA) – actively monitor the National Quality Framework to ensure it remains fit for purpose, with regular review mechanisms built into the governance of the National Quality Framework (NQF) through the Council of Australian Governments (COAG) Education Council.

The Australian Government and all states and territories recognise the need to eliminate unnecessary red tape and administrative burden for ECEC services, so that educators can focus their efforts on providing quality early learning and child care for children. Effective regulation of the early learning and child care sector will always be essential to ensuring the health, safety and well-being of children, and this is the absolute priority for families and the Australian Government.

The new child care package, which was fully implemented on 2 July 2018, seeks to reduce regulation where possible. The centrepiece of the new package, the Child Care Subsidy (CCS), replaces the previous Child Care Benefit and Child Care Rebate and is paid directly to service providers to pass on to families as a fee reduction, reducing complexity for both families and providers. It also allows

services to offer flexible operating times that better suit their children and families, as well as their business needs.

Critically, the child care package is targeted to support those who work the most and earn the least and provides a generous safety net for children who may suffer disadvantage. This requires appropriate regulation to ensure financial assistance goes where it is needed to achieve better outcomes for Australian children and encourages parent workforce participation. The Australian Government must also ensure the integrity of child care fee assistance payments and takes non-compliance and fraud very seriously and is determined to track, detect and take strong action against dishonest individuals and organisations.

Types of ECEC services

A wide range of ECEC services are available in Australia, with a mix of public and private (both for and not for profit) providers. As at 26 August 2020, there were a total of 6,186 CCS approved providers and 13,398 CCS approved services, compared to 2 July 2018 when 6,040 providers and 12,732 services transitioned to the new child care package.

Although the Government heavily subsidises parents' use of ECEC services, with the quality of services monitored by state and territory governments, the foundation of the system is a set of market-oriented arrangements. Parents make choices about the type, quality, location and other service features – where possible - that best meet their needs as well as the price they are willing and able to pay.

ECEC services can be broken into the following broad service types:

- Centre based day care – a centre-based service that usually operates 10-12 hours per day, 5 days a week and caters for 0-5 year olds. These services may also deliver a preschool programme and/or occasional care.
- Outside school hours care – a centre-based service that provides education and care for typically primary school-aged children (5-12 years old) before school, after school and during school vacations.
- Family day care – a service where children are usually educated and cared for in the educator's own home and which caters primarily for 0-12 year olds.
- In-home care – a service where children are cared for in their own homes by educators.

Preschools are a centre-based service that provides education and care to children generally in the year or two prior to school entry, and aligned with school hours and school terms. Alternative terms used for preschool in some jurisdictions include kindergarten, pre-preparatory and reception. The Australian government provides funds under the National Partnership Agreement on Early Childhood Education for preschool services. The Council of Australian Governments (COAG) signed the first agreement on 29 November 2008. The 2020 National Partnership Agreement brings the total Australian Government funding made available to states and territories to \$4.2 billion.

There are a range of other service types that may be regulated under jurisdiction-based legislation. These include occasional care, mobile pre-schools, playschools and crèches.

There are also a range of informal arrangements that may involve nannies, grandparents, relatives and family friends. Although over recent decades there has been a trend away from informal care towards formal care provided by qualified educators, families continue to use informal care.

Child care market composition

The following tables describe the breakdown of CCS approved providers by the number and percentage of services operated; and the breakdown of service types by 'for profit' or 'not for profit' status.

Table 1 - Market Composition for CCS Approved Providers and Services

CCS Approved Providers by number of Services operated:*

Number of Services the Provider Operates	Number of Providers	Percentage of Providers	Number of Services Operated	Percentage of Services Operated
Either 1 or 2 Services	5587	90.32%	6267	47%
Between 3 & 24 Services	555	8.97%	3190	24%
Between 25 & 99 Services	34	0.55%	1412	11%
More than 100 Services	10	0.16%	2529	18%
Total	6,186		13,398	

Services by 'for profit' status:

Service Type	For profit	Not for profit	Total Services	Percentage for profit
CBDC	5,702	2,604	8,306	68.6%
FDC	254	186	440	57.7%
IHC	21	20	41	51.2%
OSHC	2,439	2,172	4,611	52.8%
Total	8,416	4,982	13,398	62.8%

*Data extracted from the Child Care Management System and current as at 26 August 2020.

Role of Governments

All levels of governments (Australian, state and territory and local governments) have a role in the ECEC and child care system, primarily through supply and demand funding, regulation and legislation, information provision, workforce support initiatives, and setting national policies.

For many ECEC and child care policy matters, the Australian Government works collaboratively with state and territory governments to develop national policies.

Governments provide a range of financial assistance to the ECEC and child care sector to meet the objectives of workforce participation, child development and equity of access. The importance of each of these policy objectives has evolved over time.

The Australian Government is the single largest funder of the sector, through child care fee assistance, support for services and National Partnership Agreements with state and territory governments.

State and territory governments have primary responsibility for the approval and regulation of ECEC services under the National Quality Framework and other laws that apply to children.

Regulatory authorities administer the National Quality Framework (NQF) in each state and territory, usually as part of that state or territory's education department or agency. In most cases the regulatory authority is the first point of contact for providers. They are responsible for:

- granting approvals, including provider approval and service approvals
- assessing and rating services against the National Quality Standard
- responding to notifications and complaints
- undertaking compliance and enforcement activities, and

Additionally, ACECQA - the National Authority - partners with the Australian and state and territory governments to support the administration of the NQF. ACECQA works with all governments to promote national coherence, consistency and system efficiencies, including through guidance, regulatory functions, resources and other services to support the sector to improve outcomes for children.

Local governments have a statutory role as a land use planner, including issuing development consents and construction certificates and strategic land use planning. A number of local governments also provide child care and early learning services to their communities.

These governance, regulation and funding arrangements across the country can cause significant levels of complexity and at times inconsistency for ECEC and child care providers.

Current approval arrangements

To become an approved provider under Family Assistance Law, a provider must hold the required approvals or licences to provide child care in the state or territory in which each of its ECEC services operate. For the majority of providers, this requires them to hold approval granted under the *Education and Care Services National Law 2010* (the National Law). A minority of services who are outside the scope of that legislation are required to be approved under the jurisdictional regulatory framework relevant to their care type.

Providers can apply for approval under Family Assistance Law while they are undergoing assessment for National Law approval. The application for approval by the Australian Government will request

provider and service approval numbers that providers will receive when they apply for National Law approval.

Applicants face the administrative burden of at least two separate application processes. Applicants also provide duplicate information, and duplicate evidence to support their applications. These processes are distinct and separate and typically occur sequentially lengthening the total approval timeframe.

It is also important to note that ECEC services may not commence operating and providing education and care to children until they have state government approval in place. This is to ensure children's safety, health and wellbeing while attending the service. Under government regulations, a service may commence operating and providing care to children without approval to receive Child Care Subsidy on behalf of families. This may result in a timeframe where children are attending the service but families are not able to access the Child Care Subsidy.

The following information looks at the requirements for each application under both regulatory frameworks.

Approval under Family Assistance Law

A provider approved under Family Assistance Law is responsible for satisfying obligations under both Commonwealth and state and territory laws. This includes obligations to:

- comply with Family Assistance Law;
- comply with the National Law and National Regulations and all related state or territory laws involving the operation of a ECEC service, unless that service is exempt;
- ensure the child care provider and relevant personnel (that is, persons with management or control of the provider and persons responsible for the day-to-day operations of the service) are fit and proper persons to have a role in the administration of Child Care Subsidy payments; and
- ensure that background checks, including criminal history and working with children checks, are carried out for relevant staff and educators.

When determining whether a person is a fit and proper person to administer the Child Care Subsidy and the Additional Child Care Subsidy, matters involving fraud, dishonesty, financial management, compliance with the law and administration of funds are all relevant considerations. Matters considered in determining whether someone is a fit and proper person include:

- evidence of activity that does not comply with criminal or civil law, including (but not limited to) activity related to children or indicating dishonesty or violence
- court proceedings and convictions or findings of guilt, including (but not limited to) activity related to children or indicating dishonesty or violence
- any past administrative decisions relating to a person's suitability to be involved in child care
- evidence of fraud or dishonesty
- the person's history of managing public funds; and any past or current debts to the Commonwealth

- the person's record of financial management, including any instances of bankruptcy, insolvency or external administration
- any potential conflicts of interest between managing or delivering the ECEC service and other business or financial interests of the person
- any other matter relevant to the suitability of the provider and their staff.

Applying under Family Assistance Law

The applicant (or the applicant representative) must register with Service Australia's online identity verification system named PRODA (Provider Digital Access) to submit an online application.

Separately to any applicant representative submitting the online application, PRODA identification is mandatory for all provider and service personnel specified in the Family Assistance Law, regardless of use of child care IT systems by those individuals.

Personnel specified in Family Assistance Law that must be identified are:

- persons with management or control of the provider
- persons responsible for the day-to-day operation of the service
- Family Day Care educators and In Home Care educators.

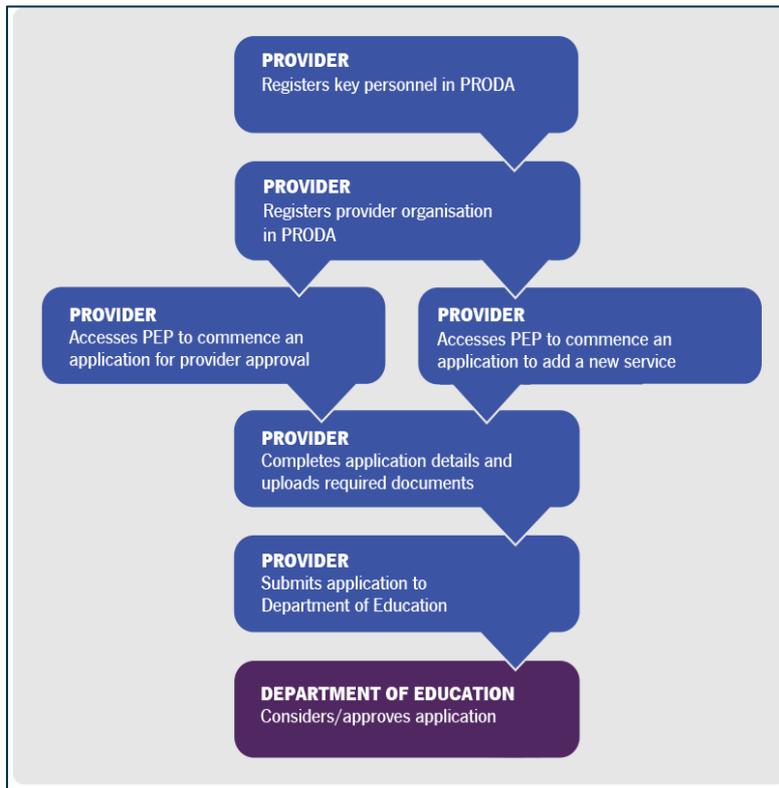
In addition to the above mandatory personnel, providers may choose to identify service contacts for matters related to family payments.

Each individual registered in PRODA is uniquely identified with a PRODA number. This number is used to link individuals to providers and services in the department's child care system.

A PRODA organisation account must be created for the provider legal entity in order for a CCS application to be created. This record is validated against information about the provider's legal entity held by the Australian Business Register (ABR). The individual who is specified as Associate for that entity on the ABR database must create the PRODA organisation account.

The individual representing the provider entity must use their PRODA credentials to log in to the Provider Entry Point (PEP) and start a new provider application. The Provider Entry Point is the online interface that providers can use to sign in and access the Child Care Subsidy System (CCSS).

The below diagram illustrates the steps in the application process.



Approval under National Law

The National Law and Regulations applies to most education and care service types in Australia. The provisions of the National Law legislation and Regulations are implemented through the National Quality Framework (NQF).

Most long day care, family day care and outside school hours care services are regulated under the NQF. The NQF also applies to preschools (or kindergartens), except in Western Australia and Tasmania.

The National Quality Framework is a national system that aims to raise quality and drive continuous improvement and consistency in children’s education and care services through:

- the National Law and National Regulations
- the National Quality Standard
- an assessment and quality rating process
- approved learning frameworks for prior to school and school age education and care
- a regulatory authority in each state and territory responsible for the approval, monitoring and quality assessment of services in their state or territory
- a national body – the Australian Children’s Education and Care Quality Authority (ACECQA), which assists governments to implement the NQF.

ACECQA is an independent national authority that assists governments in administering the NQF for children's education and care.

For approval under the National Law an applicant must be a fit and proper person to provide care to children. Where the applicant is not an individual, each person who will be a person with management or control of an education and care service to be operated by the applicant must be a fit and proper person.

In determining whether a person is a fit and proper person, the Regulatory Authority must (or may in some circumstances) have regard to, as a minimum, the following matters:

- the person's history of compliance with the National Law as applying in any participating jurisdiction;
- any decision under a former education and care services law to refuse, refuse to renew, suspend or cancel a licence, approval, registration or certification or other authorisation granted to the person under that law;
- any prescribed matters relating to the criminal history of the person to the extent that history may affect the person's suitability for the role of provider of an education and care service;
- any check of the person under a working with vulnerable people law of a participating jurisdiction;
- whether the person is bankrupt, or has applied to take the benefit of any law for the relief of bankrupt or insolvent debtors or, in the case of a body corporate, is insolvent under administration or an externally-administered body corporate.
- whether the person has a medical condition that may cause the person to be incapable of being responsible for providing an education and care service in accordance with this Law;
- whether the financial circumstances of the person may significantly limit the person's capacity to meet the person's obligations in providing an education and care service in accordance with this Law;
- whether the person has the management capability to operate an education and care service in accordance with this Law; and
- any actions taken under the Family Assistance Law in relation to an ECEC service approved under that Act, operated by the person or in relation to which the person was a person with management or control.

Applying under National Law

To operate an ECEC service, applicants need to apply for provider approval and service approval under the National Law. They can apply for these approvals online after registering an account on the National Quality Agenda IT System (NQA ITS), which is operated and maintained by ACECQA, on behalf of all governments.

Alternatively, applicants may use the paper based application for provider approval and paper based application for declaration of fitness and propriety except in NSW and Victoria where regulatory authorities accept only online applications and notifications through the NQA IT System.

Regulatory authorities in each state and territory are responsible for assessing most applications and notifications under the National Law.

Service types not requiring Dual Approvals

Some service types such as Preschools (or kindergarten, pre-preparatory and reception) require approval under the National Quality Framework but in most cases are not eligible for approval under the FAL to attract Child Care Subsidy. A range of other service types may also fall under this category such as mobile pre-schools, playschools and crèches.

Additionally, some service types such as In Home Care, do not require approval under the NQF to become Child Care Subsidy approved under FAL. These services are monitored for quality and safety through the laws and regulations contained in FAL.

The number of services falling into this category is small. As the data in Table 1 'Market Composition' above indicates the total number of services nationally at 26 August 2020 was 13,398 including 41 In Home Care services.

2. Problems with Current Arrangements

These two distinct but interrelated regulatory systems safeguard the interests of children and families, and government investments, in early learning and parental workforce participation.

However, their separate user interfaces generate duplicative paperwork burden for new service providers and for existing providers who seek to expand. Separate and linear approval paths slow processing and approval times, and because the two decision making processes are not as effectively connected or coordinated as they could be, it risks unscrupulous providers entering – or not being effectively removed from - the market.

For example, an ECEC or child care provider must currently deal with two separate portals for making applications, duplicate the submission of business information, undergo similar tests for fitness and propriety, and may be delayed in offering CCS to families, as the NQF approval is granted by the respective state or territory regulator before the CCS approval can be granted.

The cost impacts for business of inefficiencies in processing, decision making and duplicative paperwork are significant. These costs may flow on to families through delayed access to CCS and to providers through delayed access to child care fees.

Pain Points for Applicants, Assessors and Families

The identified issues affecting ECEC applicants only are:

- Many applicants do not fully understand the separate requirements of State Regulatory Authorities and the Australian Government;
- Administrative burden to submit two separate applications through two separate systems, the Provider Entry Point for Australian Government and the NQA ITS for State Regulatory Authorities;
- Some supporting evidence and documentation must be submitted more than once (see comparison diagram on Page 17);
- Time intensive if required to attend two separate written exams or two separate interviews or both. Written exams are quite lengthy (approximately two hours each);
- Travel is a constraint if exams and interviews are conducted face to face;
- Different agencies have different timeframes for submitting missing, incomplete, invalid application details; and
- Different agencies have similar but slightly different rules and regulations in some cases. For example, the definition of a person with management or control varies under both laws.
- Delayed access to child care fees where application submission and assessment is untimely.
- Lack of readily available online education and training modules

In the first round of consultations for the related 2019 NQF Review², ECEC sector representatives noted a desire for greater joining up of the two regulatory systems.

² See NQF Review from page 6: <https://www.nqfreview.com.au/44855/documents/123998/download>

The identified issues for ECEC applicants, State Regulatory Authority assessors considering National Quality Framework applications and Australian Government assessors considering Child Care Subsidy applications are:

- State Regulatory Authorities and the Australian Government have duplicate processes including duplicate assessment of applicant fitness and propriety;
- Definitions and terminology differs between both levels of government. For example, the definition of specified personnel differs between National Law and FAL;
- Applications are assessed in relative isolation of each other. There is minimal information sharing and other duplicated processes for assessors from both levels of government;
- Inconsistent communication between State Regulatory Authorities and the Australian Government with applicants in regard to their applications and approvals;
- Variation in timeframes given to provide missing/incomplete information for assessment; and
- Inconsistent use of assessment techniques for both National Law and FAL.

The identified issues for families are:

- Access to Child Care Subsidy may be delayed where an applicant does not understand the requirements of two separate approval processes;
- Access to Child Care Subsidy may be delayed where dual applications are processed in isolation of each other;
- Decreased confidence in the quality of child care providers in the sector for families seeking assurance that their children are well cared for in a safe environment.

Question for Feedback:

When you have submitted an application for either the Australian Government or State Regulatory Authority provider or service approval, what are the pain points you have experienced?

Question for Feedback:

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?

Comparison of Application Documents and Disclosures

The following diagram³ compares application requirements and illustrates the duplication that exists under current arrangements.

Requirements	National Law requirement	Family Assistance Law requirement
Prescribed documentation / disclosures required:		
<ul style="list-style-type: none"> Personal or business details (name, contact details, ABN etc.), including evidence of legal status and constitution (if non-individual applicant) 	<ul style="list-style-type: none"> Yes 	<ul style="list-style-type: none"> Yes. <i>National Law</i> provider and service approval numbers are also required.
<ul style="list-style-type: none"> Proof of identity 	<ul style="list-style-type: none"> Yes. Acceptable documents are a current passport, driver's licence or proof of age card; must be provided for all PMCs. 	<ul style="list-style-type: none"> Yes. Requires proof identify to be established via PRODA.
<ul style="list-style-type: none"> Working with children check or equivalent 	<ul style="list-style-type: none"> Yes 	<ul style="list-style-type: none"> Yes
<ul style="list-style-type: none"> Criminal history check issued within past 6 months 	<ul style="list-style-type: none"> Yes 	<ul style="list-style-type: none"> Yes
<ul style="list-style-type: none"> Any convictions or pending charges 	<ul style="list-style-type: none"> Yes. Criminal convictions only (Australian and overseas) relevant to working with children, formal disciplinary proceedings/action under any education law in Australia, and action taken under the FAL or related laws. 	<ul style="list-style-type: none"> Yes. Pending criminal charges and convictions; civil matters related to children/child care.
<ul style="list-style-type: none"> Adverse financial management history (e.g. insolvency, external administration, bankruptcy) 	<ul style="list-style-type: none"> Yes 	<ul style="list-style-type: none"> Yes. For PMCs only: National Personal Insolvency Index check provided by AFSA, a current and historical personal name extract from ASIC, and evidence PMC is not banned/disqualified by ASIC (must be issued within past 3 months).
<ul style="list-style-type: none"> Management capability 	<ul style="list-style-type: none"> Yes. Evidence for each PMC (e.g. resume, reference, quals). 	<ul style="list-style-type: none"> No
<ul style="list-style-type: none"> ECEC work history for the past 3 years 	<ul style="list-style-type: none"> Yes. ECEC work history for the past 3 years. 	<ul style="list-style-type: none"> No
<ul style="list-style-type: none"> Declaration that all FDC educators are fit and proper 	<ul style="list-style-type: none"> No 	<ul style="list-style-type: none"> Declaration that all FDC educators are fit and proper.
<ul style="list-style-type: none"> Disclosure of any entities that own/control the applicant business 	<ul style="list-style-type: none"> No 	<ul style="list-style-type: none"> Disclosure of any entities that own/control the applicant business.
<ul style="list-style-type: none"> Disclosure of any conflicts of interest re. applicant's other business interests 	<ul style="list-style-type: none"> No 	<ul style="list-style-type: none"> Disclosure of any conflicts of interest re. applicant's other business interests.
Persons required to provide information	Individual applicant or PMCs (if business applicant).	Individual applicant or PMCs, persons with day-to-day responsibility of the service, service contacts and FDC educators.

³ Page 26, Early Childhood Education and Care Services: Joined Up Approval Processes Report, NSW Department of Education, June 2018

3. What are the reform options?

The Early Childhood Education and Care sector plays a critical role in developing Australian children and supporting workforce participation. The sector is very adaptable and agile having experienced recent reforms including the introduction of the Child Care Package in 2018 and more recently major shifts in arrangements and funding due to COVID-19.

The table below summarises the three reform options and each option is explored in more detail.

Table 2: Reform Options

Option	Description
Option 1	Stay with Current Arrangements
Option 2	Fully Joined-up Approval Processes
Option 3	Single Application Submission Only

Option 1 – Stay with Current Arrangements

Currently, Child Care Subsidy (CCS) applications for new providers and services are completed and submitted within the Provider Entry Point. National Law (NL) applications for new providers and services are submitted within ACECQA's National Quality Agenda IT System (NQA ITS).

Under this option, families, services and governments would continue to operate in the context of existing regulatory business systems including separate application, assessment and approval processes.

Applicants will continue to submit two separate applications, through the Provider Entry Point for Australian Government and through the NQA ITS for State Regulatory Authorities. Separate user interfaces generate duplicative paperwork for new and existing providers who seek to expand. Separate and linear approval paths for processing and approval times remain unchanged for both the CCS and the NQF, and because the two decision making processes are not connected or coordinated as they could be, this option does not optimise the risk management of unscrupulous providers entering and remaining in the market. The existing two separate portals for making applications continues to duplicate the submission of business information and other assessment functions such as tests for fitness and propriety.

Option 2 – Fully Joined-up Approval Processes

Under this option, future applicants will submit joint applications through a single online portal within ACECQA's NQA ITS, for both CCS and NL approval. Applicants will no longer submit CCS applications within the Provider Entry Point if this option is implemented.

Implementation of this option will mean State Regulatory Authority assessment officers and Australian Government assessment officers can commence assessment of their respective applications at the same time, thereby reducing the overall timeframe for application assessment.

DESE Assessment Officers will use the NQA ITS to access the CCS application submitted (as part of the joint application) and undertake and record assessment activities within that system. Similarly, Assessment Officers from all State Regulatory Authorities will continue to access the NQF application (as part of the joint application) within the NQA ITS and undertake and record assessment activities within that system as they do currently.

Once a CCS application is approved within the NQA ITS, new approved provider and/or new approved service details will be provided electronically through an interface to the Child Care Subsidy System (CCSS) allowing for creation of new provider and/or service records and the allocation of CRN identifiers in the CCSS.

Key specified child care personnel will continue to be required to be registered and verified within Service Australia's online identity verification system named PRODA (Provider Digital Access) for the joint application. Both online applications for CCS and NQF on the NQA ITS will require the input and validation of PRODA IDs of their key personnel, as is currently the case with the CCS application via the Provider Entry Point. The NQA ITS will communicate with the PRODA system to verify PRODA IDs.

The PRODA Organisation record currently required by the CCSS would be established as per the current arrangements. The CCS application submitted on the NQA ITS may require the PRODA Organisation ID to be recorded as part of the application data provided by the applicant. This will be useful when the CCS application is approved and electronically provided to the CCSS for creation in that system.

After provider and service records are created in the CCSS, enrolments, attendances, and payments will operate in the CCSS and be accessible for third party software as per current arrangements.

Existing arrangements for notification of a change of circumstances; changes to provider, service and other related child care records; and post-approval processes; by means of the PEP, third party software, or DESE Officers, will remain as per current arrangements. Existing arrangements for notifying changes to the NQA ITS for NQF approval remain unchanged.

Applicants will submit a joint application; information will be shared between jurisdictions; and other internal processes such as the criteria for assessing a person's fitness and propriety will be aligned during the assessment phase. This will streamline the process and improve efficacy and effectiveness, however **the final decision to approve or refuse an application will be the responsibility of State Regulatory Authority assessment officers for the NQF and Australian Government assessment officers for CCS.**

Additionally to the joint application and assessment processes, online training and examinations will be implemented as a prerequisite to being able to submit an application for approval, and/or be part of the application assessment activities post submission. This will provide the assessment process with greater confidence that the applicant has understandings of their obligations under both National Law and Family Assistance Law. It will also provide a more consistent set of regulator expectations / requirements that are to be met by prospective or current approved providers.

Option 3 – Single Application Submission Only

This is a reduced version of Option 2.

Under this option, future applicants will submit a single application through an online portal within ACECQA's NQA ITS, for both CCS and NQF approval. Applicants will no longer submit CCS applications within the Provider Entry Point if this option is implemented.

A single application through an online portal is the only feature of Option 3 and the only similarity with Option 2.

The completed CCS application will be forwarded from the NQA ITS to the CCSS and DESE Assessment Officers will continue to use the CCSS to access CCS applications, and undertake and record assessment activities within that system. Similarly, Assessment Officers from all State Regulatory Authorities will continue to access and assess the NQF applications within the NQA ITS as they do currently.

Key specified child care personnel will not be required to be registered and verified within PRODA to submit the joined up application. They will be required to be registered and verified within PRODA for CCS Approval in the current CCSS system after the application is received from the NQA ITS. Identification of key personnel across all jurisdictions will not be possible.

Implementation of this option will mean State Regulatory Authority assessment officers and Australian Government assessment officers cannot commence assessment of their respective applications at the same time and separate applications will be sequentially assessed and approved within separate systems as the current arrangements require.

Assessment of applications will continue in relative isolation of each other. Communication between State Regulatory Authorities, the Australian Government, and applicants regarding applications and approvals will not be fully optimised, with potential for ineffective and inconsistent information sharing between agencies.

Online training and examinations will not be available as part of this option and all other current arrangements from Option 1 excluding the Single Application Submission will remain. Expected benefits of this work – namely greater confidence nationally that an applicant has understandings of their obligations under both National Law and Family Assistance Law, as well as a more consistent set of regulator expectations to be met by prospective or current approved providers – will not be realised.

4. What is the impact of each option?

Option 1 – Stay with Current Arrangements

Benefits

Possible benefits of the *Stay with Current Arrangements* option include:

Current Approval Processes Mitigate Risk

State and Territory Regulatory Authorities and the Australian Government have measures in place to mitigate the risks of the approvals process to prevent unsuitable providers entering and remaining in the ECEC and child care market. There are upfront information sessions that are intended to educate and deter providers so that they can self-assess their own suitability in some states and territories. The Australian Government uses a written assessment in some circumstances to assess provider's fitness and propriety to operate an ECEC service.

Financial and Administrative Costs

The financial and administrative cost to providers to submit applications remains the same and does not increase or reduce under this option. However, the cost of maintaining the status quo is a continued administrative burden for applicants that will fail to save them time and money. The inadequacies of the current FAL application as mentioned in previous sector consultation (see Chapter 5) will remain unaddressed.

Applicant Preference

Prospective and/or approved education and care provider applicants practiced in the current process may be comfortable with the current dual application procedure.

Costs

The current problems and pain points as described in Chapter 2 will remain unimproved if existing arrangements are maintained.

Possible costs of the *Stay with Current Arrangements* option include:

Duplication of Applications and Information Provided by Applicants

This option does not address the administrative burden of submitting duplicate information in separate applications. Applications will continue to be submitted through two separate systems, the Provider Entry Point for Australian Government and the NQA ITS for State Regulatory Authorities and duplicated evidence and documentation submitted for each application.

Approval Processing Timeframes Remain Unchanged

Under this option there will continue to be two separate and disparate application, assessment and approval processes governing ECEC services in Australia, slowing processing and approval times. The high number of queries from the sector indicate the two frameworks confuse providers and services, and this confusion is likely to continue. More significantly, two separate applications reduce the possibility of being able to create systemic efficiencies between the two systems. This means that providers continue having to navigate two less efficient approvals processes.

Risks Unscrupulous Providers Entering the Market

The separate processes mean that governments are not as effectively connected or coordinated as they could be and risks continue that unscrupulous providers may enter and remain in the market through possible ineffective information sharing.

System Integrity Remains Unimproved

The current separate systems could result in more children accessing non-compliant and/or poor quality education and care services. Poor or non-compliant providers continue to attract child care subsidies, with legitimate providers facing unfair competition from non-compliant operators.

National Coherence Remains Unimproved

Current arrangements result in reduced clarity about expectations and processes during the application and assessment phases. Queries/complaints from the sector regarding the progress and outcome of applications are also likely to remain high.

National Person Identity and Verification System Not Included

While a consistent definition of a Person with Management or Control of the Provider across the FAL and NL may be implemented under the current NQF Review process, this option does not develop a “person” entity within the NQAITS. This entity will link with a person’s PRODA ID and acts as a register of all people named on provider and service applications and indexes historical data about that person’s involvement in the sector.

Summary

The pain points mentioned in Chapter 2 and listed below remain unaddressed under this option:

- delayed access to child care fees for providers where application submission and assessment is untimely;
- lack of national education and training modules and online written assessments to increase sector integrity and families’ confidence in the system;
- unrealised potential to increase confidence in the quality of child care providers in the sector; and
- delayed access to the Child Care Subsidy for families.

However, providers and services that are more comfortable and prefer the familiarity of the current process may choose this option.

Question for Feedback:

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?

Question for Feedback:

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

Option 2 – Fully Joined-up Approval Processes

Benefits

Benefits of the *Fully Joined-up Approval Processes* option will include reduced administrative and regulatory requirements for prospective and/or approved education and care providers. This includes a reduction in time and effort to prepare and submit applications, as well as an improved end user experience in managing applications. All current problems and pain points as described in Chapter 2 are addressed in this option.

Reduced Duplication for Applicants

There are savings for providers when submitting their online applications. It can take on average 2 hours to submit an application for CCS approval, with additional time to collate and submit supporting documentation and respond to questions during the assessment. This time could be reduced by 75 per cent when submitting a joined-up application. Considering 1500 applications per year, there is an estimated saving of approximately 5100 hours per year. Reducing the friction of dealing with government will particularly benefit the small and micro businesses that constitute the majority of ECEC services.

Enhanced User Experience

The effect of implementing Option 2 would be to synchronise assessment and approval processing in all jurisdictions on a common platform (an enhanced NQA ITS) that commences with a single source of application lodgement.

This option will introduce an enhanced applicant user experience. Applicants would be able to submit a single application across all jurisdictions in line with the principle that governments should ‘collect information once, but use multiple times’. It will allow for consistent communications between applicants and regulators including the Australian Government. It will implement a singular approach to assessing applications in practice and allows for integrated approval processing on one computer system, reinforcing consistency in regulation and eliminating duplicate requests for information. This option is enhanced by introducing person-centred assessment capabilities and integrated compliance and viability information sources.

Faster Provider and Service Approvals

Faster provider and service approvals will benefit families, providers/services and the Education and Care sector workforce. It will reduce time between the submission of the joint application and receipt of decisions on National Law and FAL applications. This will result in approved providers and services that are able to enter the market and commence operations sooner. This provides increased access to quality education and care for children and increased workforce participation by parents/families while also increasing consumer choice when selecting education and care services. Educators and other service staff will be able to commence work sooner and approved providers and services will become eligible sooner to attract child care subsidies. The below paragraph explains more about CCS revenue for families.

A provider seeking to open an ECEC service must follow many rules and regulations relevant to FAL and NL but also relevant to business, taxation, insurance, accounting, privacy, child protection and other laws. A joined up assessment and approval process across Australian Government and State and Territory Regulatory Authorities would reduce unnecessary red tape for early childhood education and care providers. Up to 1500 (mostly small business) applicants seeking to establish new services each year would be the primary beneficiaries of this change. High quality, low risk applicants will especially benefit from streamlined assessment and approval processes as the sharing of information in one system will provide increased intelligence and reduce regulators time and effort. This will result in faster approvals.

Prevents Unscrupulous Providers Entering the Market

Joined-up processes mean that governments are more effectively connected and coordinated and this further prevents unscrupulous providers entering and remaining in the market through increased information sharing and intelligence.

Improved System Integrity

A Fully Joined-up Approval Processes option will provide increased, real-time inter-jurisdictional intelligence sharing on the provider pool and their services. This may result in fewer children accessing non-compliant and/or poor quality education and care services and also a reduction in poor or non-compliant services providers attracting child care subsidies

A joined up fitness and propriety check will reduce time and regulatory resources required to undertake background checks while also reducing the need for future action against non-compliant and poor quality providers and their services. This will reduce risk of legitimate providers facing unfair competition from non-compliant operators and minimise potential for illegal activity, where people with non-compliance history avoid regulatory scrutiny.

The online education module will also provide access to nationally consistent training about requirements for market entry.

Improved National Regulatory Coherence

Providers will benefit from an increased efficiency in processing applications, while families and children will benefit from regulators having more consistent and reliable data relating to key

personnel when all required personnel in the sector will have a validated identity record through the use of PRODA. This adds safeguards for families and protects the investments of governments.

Regulatory coherence will also improve national consistency and transparency in approval decision making. It will provide greater opportunity for collaboration and shared practice culture across state and territory and Australian Government regulators, for example, in analysing, weighting and treating risks associated with approval decisions. This strengthened collaboration and information sharing will provide nationally coherent, timely and effective response by governments to adverse external scenarios, and will assist families and the sector particularly during local and national emergencies.

Approved providers operating nationally in multiple jurisdictions, particularly large providers with numerous services, will benefit from this national consistency when managing applications with more than one State Regulatory Authority and the Australian Government.

Improved Quality of Care

Evidence shows that the best outcomes for children from education and care come from high quality providers and services. There is a significant body of evidence that shows that high quality early childhood education and care can:

- improve children's cognitive and socio-emotional development. The time spent in early childhood education and care is a strong predictor for the level of performance later in life¹⁸
- create positive outcomes in areas of health and well-being; and support children's outcomes later in life, including market participation, reduction in poverty, increased social mobility and social integration
- have a positive effect for children experiencing higher levels of education and social disadvantage, and can help them catch up to their more advantaged peers.

Families will benefit from improved confidence of nationally consistent system(s) to enter and remain in the sector, further shoring up the integrity of the system. Improved quality child care providers will increase confidence in the sector for families and provide assurance that their children are well cared for in a safe environment thereby allowing them a positive outlook to return to work, study or training. It is considered that building on and improving the current processes could produce better outcomes for children.

CCS Revenue for Families

In 2018-19, the Australian Government processed almost 1,500 applications for child care provider and service approval. Most of these are small business operators. Based on the potential to reduce cumulative processing times, this will allow services to commence operations and bring forward access to revenue from parental fees and CCS income earlier.

A single application presents a consistent experience to providers, allows a robust, system-supported completeness check of applications, and centralises communication between applicants and regulators.

Table 3: Potential CCS Revenue for Families

2018-2019	Approx. No. of Service Applications Approved	Average Assessment Time (weeks)~	Average CCS Revenue per week (\$) **	Forgone CCS Revenue Due to Assessment (\$)
Centre-based Day Care	950	4	\$14,601	\$55,483,213
Outside School Hours Care	530	4	\$3,044	\$6,452,493
Family Day Care	3	4	\$33,033	\$396,398
In Home Care	6	4	\$8,516	\$204,376
Total	1489			\$62,536,480

Source: Child Care Subsidy System

** The Average CCS Revenue per week is determined by the total CCS paid to each service type divided by the number of services and by the average operating period per year. For example, the average CCS Revenue per week is determined by the total CCS paid to Centre-based Day Care services divided by the number of services and by 50 weeks.

~ Processing times vary considerably based quality of the application received.

From the table above we can assume that if all centre based day care services that submitted an application in 2018-19 were to have their applications assessed four weeks earlier, around an additional \$62 million of CCS revenue per year may be paid to families.

Future Enhancements

Although not in scope for this project, implementing this option could pave the way for future system enhancements, where an approved provider or service reports change notifications through a single system. This would replace the current process of reporting notifications twice to separate government agencies.

Costs

Possible costs for the *Fully Joined-up Approval Processes* option include:

Services not requiring Dual Approvals

As indicated in Chapter 1, a small minority of services do not require dual approvals. These services will submit a joined up application but the information required for assessment will be funnelled in only one direction, to either the NQA ITS or CCSS, not both.

The *Fully Joined-up Approval Processes* option, while realising the benefits of making aspects of two separate assessment and approvals processes seamless through integration, will continue to involve two separate approvals by delegated decision makers under both National Law and FAL. This is important since some services approved to operate under the NQF, are not eligible under the FAL for the purposes of attracting Child Care Subsidy. Services falling into this category will apply for NQF approval through the NQA ITS but will only be assessed by one delegated decision maker, in this case the relevant State/Territory Regulatory Authority. For example, this includes most but not all operators of preschool / kindergarten service models.

Additionally, some service types such as In Home Care (IHC), do not require approval under the NQF to become Child Care Subsidy approved under FAL. These services are monitored for quality and safety through the laws and regulations contained in FAL. Services falling into this category will also apply for CCS through the NQA ITS but will only be assessed by one delegated decision maker, in this case the Australian Government. Providers of IHC services may already access the NQA ITS for other service types but if they only provide IHC accessing the NQA ITS will be a new and unfamiliar experience.

The *Fully Joined-up Approval Processes* option would still provide capacity to strengthen processes and national consistency under the NQF through processes for checking fitness and propriety, and national online applicant training and assessment capability.

National Person Identity and Verification System required for All Applicants

As described in Chapter 1, the applicant (or the applicant representative) must register with Service Australia's online identity verification system named PRODA (Provider Digital Access) to submit an online application for CCS.

Applicants that only require approval under the NQF and not likely to be eligible for the Child Care Subsidy such as preschools/kindergartens will be required to register with PRODA before submitting an application under this option. Strengthening of identity verification and the creation of a single record for each individual will improve the integrity of the sector. However, this will be an additional requirement for a small number of applicants that do not currently need PRODA access.

Financial Costs

The cost of creating a new NQA ITS portal and joined up assessment/approval functionality is estimated at \$6.7 million. Changes to the Child Care Subsidy System are also required and estimated at \$6.4 million. Development of national training and written assessment material is estimated at \$384,000 and installation of an online environment is estimated at \$864,000.

Summary

This option addresses many of the problems and pain points outlined in Chapter 2:

- Many applicants do not fully understand the separate requirements of State Regulatory Authorities and the Australian Government;
- Administrative burden to submit two separate applications through two separate systems;
- Some supporting evidence and documentation must be submitted more than once;
- Inconsistent communication between State Regulatory Authorities and the Australian Government with applicants regarding their applications and approvals;
- Access to Child Care Subsidy and decreased confidence in the sector for families.

The negative impact of this option is registration with Service Australia's Provider Digital Access for NQF applicants not eligible to access the Child Care Subsidy and the use of a new system for a small number of IHC providers who are not familiar with the NQA ITS.

Question for Feedback:

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

Question for Feedback:

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

Question for Feedback:

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?

Option 3 – Single Application Submission Only

This option addresses a single pain point only from Chapter 2 in that future applicants will submit a single application through an online portal within ACECQA's NQA ITS, for both CCS and NQF approval. Applicants will no longer submit CCS applications within the Provider Entry Point if this option is implemented.

Benefits

Possible benefits of the *Single Application Submission Only* option include:

Reduced Duplication for Applicants

A single application submission will reduce time and effort to prepare and submit applications and presents a consistent, enhanced application experience to providers.

Costs

Possible costs for the *Single Application Submission Only* option include:

Approval Processing Timeframes Remain Unchanged

Under this option there will continue to be two separate and disparate application, assessment and approval processes governing early childhood education services in Australia, slowing processing and approval times. The high number of queries from the sector indicate the two frameworks confuse providers and services, and this confusion is likely to continue. More significantly, two separate applications reduce the possibility of being able to create systemic efficiencies between the two systems. This means that providers continue having to navigate two less efficient approvals processes.

Risks Unscrupulous Providers Entering the Market

The separate processes mean that governments are not as effectively connected or coordinated as they could be and this risks unscrupulous providers entering the market through a lack of information sharing and because the two decision making processes are not as effectively connected or coordinated as they could be.

System Integrity Remains Unimproved

The current separate systems remaining without reform could result in more children accessing non-compliant and/or poor quality education and care services. There is the potential for an increase in poor or non-compliant services and providers attracting child care subsidies and an increased risk of legitimate services and providers facing unfair competition from non-compliant operators.

National Coherence Remains Unimproved

Current arrangements result in reduced clarity about expectations and processes during the application and assessment phases. Queries/complaints from the sector regarding the progress and outcome of applications are also likely to remain high.

Financial Costs

The cost of creating a new NQA ITS portal for applications only is estimated at \$3.5 million. Changes to the Child Care Subsidy System are also required and estimated at \$6.4 million.

National Person Identity and Verification System Not Included

While a consistent definition of a Person with Management or Control of the Provider across the FAL and NL is being canvassed under the current 2019 NQF Review ⁴process, this option does not develop a 'person' entity within the NQAITS. This entity will link with a person's PRODA ID and acts as a register of all people named on provider and service applications and indexes historical data about that person's involvement in the sector.

Summary

This option will provide a single entry point and allow applicants who might otherwise have submitted separate and sequential applications, to submit one comprehensive application. This would enhance the user experience.

However, this option will not deliver the benefits of a streamlined, nationally consistent assessment and approval process. It will not improve compliance capabilities with access to better information through improved information sharing. It will not create future savings for the public in Child Care Subsidy through faster approval processing times. Importantly a significant impact of this option is it will not reduce the risk of known high-risk applicants entering and remaining in the sector as it will not create a 'person' entity or use Service Australia's PRODA system to verify their identity thereby reducing the quality of education and care for children and families.

Question for Feedback:

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

Question for Feedback:

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

⁴ See NQF Review from page 6: <https://www.nqfreview.com.au/44855/documents/123998/download>

5. Who will be consulted?

Feedback from the Sector

Detailed consultation with all jurisdictions has occurred during various points of the project since 2016. Extensive consultation with face to face meetings and workshops in some cases occurred during the compilation of both the 2018 Report and the 2019 Feasibility Study. All jurisdictions agreed with the preferred option of *Fully Join up Approval Processes* and similar sector feedback as a result of the initial consultations under the 2019 NQF Review was reported to Education Council in 2019.

The Australian Government sought advice from providers (including large providers) attending a stakeholder engagement meeting in July 2019 regarding the joined up project. Providers expressed strong support for the project due to the anticipated reduced administrative burden.

As mentioned above, a general statement of the anticipated benefits was validated with the early childhood and education and care sector as part of the first phase of consultation for the 2019 NQF Review. Strong support was offered for any efforts by governments to make navigation of approvals under both the NQF and the FAL more effective and efficient.

It is further anticipated that successful delivery of this project could also lay the foundations for further integration and enhancement to the overall integrity and responsiveness of both systems in the interest of both business end users and consumers.

Initial Consultation Feedback

Following initial consultation, feedback from sector representatives is described below.

Question: *What are your experiences in navigating approval under both the NQF and the Family Assistance Law?*

Answer: The National Quality Agenda IT System (NQAITS) achieves its purpose in terms of offering providers a secure and direct online communication process with the relevant regulatory authorities to reduce paperwork.

However, seeking approval under the Family Assistance Law is convoluted and should be streamlined by leveraging the NQAITS as the central hub connecting CCS enrolments, approved provider applications, service provider applications, as well as breach notification and records.

Question: *What is your experience of seeking provider approval?*

Answer: This process requires data cross over from various departments – the NQA ITS, the Commonwealth and State Departments of Education, Services Australia via PRODA and also the Australian Securities and Investments Commission (ASIC).

The application process across the states is not consistent, with varying application procedures in place.

For example in Western Australia the process can all be done electronically. In Queensland a potential approved provider is required to undertake face to face interviews with Departmental staff, while in New South Wales potential approved providers are required to be queued to be allocated to attend a one day information session and then sit a test.

There is an enormous problem in terms of data management for approved providers with complex company structures. For example, a service provider may have more than one ABN, and each ABN may have a different trading location.

Under these circumstances, the system will pick up any one of these, without letting the service provider know which ABN is being used. Approved providers are left with the only option of guessing which ABN has been used, and if their guess is incorrect, the process is recommenced from the beginning.

Question: *What is your experience of seeking service approval?*

Answer: The approval process is convoluted, not transparent and the various timelines for elements do not accommodate each other. For example, often documents are demanded within one working day from one department, and the other department simply won't turn around a request in that timeframe. If the process fails on these grounds, it must be started again from scratch.

This process urgently needs streamlining, with systems that talk to each other, and a case manager that works across departments and can see the relevant data so providers do not have to keep guessing.

The ability to troubleshoot rather than re-start the process and the ability to combine service approval (state-based) and CCS approval (Commonwealth based) would streamline this for government and providers alike.

Early Childhood Education could be the 'poster child' for regulatory streamlining. The National Regulatory Review, and the transition to 'Services Australia' would have a series of quick wins should government focus on simplifying and streamlining these processes.

For example, a report was received from a South Australian member who is already an Approved Provider and has been so for many years across many services. She was seeking service approval for another early learning service. The member found the process extremely difficult:

"I was completely unaware of the challenges I would face in-so-far as procuring the significant documentation required... I also had no understanding of the minutia details (even email details) that would be required to 'marry' the many different documents during cross referencing done by the Department of Education and Training.

The lack of suitable information and assistance to guide me through the process, has resulted in... a massive delay in the start of CCS for my families. This has severely disadvantaged my new business and placed our families in an untenable position."

Question: *What could make the application process easier?*

Answer: Quite simply: consistency, transparency and systems that talk to each other.

Question: *How can the assessment of whether an individual is 'fit and proper' be undertaken more effectively, proportionately and efficiently?*

Answer: Sector feedback indicates that the existing assessment process for providers is flawed. It is jurisdiction-specific (ie. the relevant documentation is administered by state/territory government and does not adequately interface with other jurisdictions' systems) and does not interface with the Commonwealth's processes in approving Child Care Subsidy enrolments for services.

A nation-wide review should be conducted of the various state and Commonwealth processes, and the most efficient and effective process be implemented across the country.

Question: *What are current application timeframes?*

A child care provider applies under the National Law and assessment and approval could take from 60 to 90 days. The provider receives their National Law approval and then becomes aware that they need to apply under the Family Assistance Law to receive the Child Care Subsidy on behalf of families. This assessment can take an average of another 4 weeks. The timeframe equates to a total of 4 months from the time of initial application. If the assessment and approvals occurred simultaneously the total duration of the assessment through both regulatory frameworks could be reduced.