

The “Enhanced” Approval Process is a step backwards

Background:

- Since July 2016, there has been a new approvals process in NSW for new and existing service providers (owners, company director, partnerships and management committees) of childcare services.
- This was in response to the substantial fraud primarily stemming from Family Day Care Services.
- This process has now expanded to cover all types of childcare services – apparently under legal advice to the NSW Department of Education to be consistent and non-discriminatory.

The Problems:

- There is confusion as to how this is being applied and key timeframes resulting in many new **services being unable to open** on the advertised opening date due to the complicated process. This causes **huge losses** to businesses as all overheads still have to be paid.
- There is a long waiting period for sitting the exam which results in even further delays. This could be due to inadequate funding or staffing to the Department.
- Inquiries to the Department of Education are answered by redirecting people to the Department’s webpage, but there is **inadequate information** on it.
- The mid-August 2017 Early Childhood Education Advisory Group (ECEAG) meeting showed **universal frustration** with the process by all peak bodies and key stakeholders, except the Department of Education. Clearer, easier and more streamlined processes are sought.
- All approved providers now have to attend a one-day information session and sit an **HSC-style exam**. This is **impractical and unnecessarily burdensome**. Consider the following scenarios:
 - Mum (an early childhood teacher) and Dad (a builder) decide to invest in a childcare centre as a part of their long-term plans. Mum runs the centre while dad builds his own career. They have been operating this way for over 30 years. Suddenly they receive notice that they both have to sit a test on childcare regulations in order to prove that they are capable. Why should dad have to sit this test? He has nothing to do with running the centre or with the children. (70% of providers are this type in NSW)
 - A company with a board of 10 directors (businessmen, lawyers, accountants, etc) owns 80 childcare centres across the nation. They have been building the company for the last 10 years and appoint a director/manager at each centre to run it. Suddenly they receive a notice that every board member needs to sit a childcare test each time they acquire a new centre. This is illogical. These directors have nothing to do with day to day operations. In fact, good governance would indicate that strategy (the board of directors) and operations (the centre director/managers) should be separate in order to ensure that the company runs efficiently.
 - A regional community childcare centre is managed by 8 parent volunteers. They oversee the governance of the service and a centre manager or director oversees the operations of the service. Suddenly all 8 parents are informed that they have to travel to Sydney and sit an exam to prove that they are capable. These parents are not childcare trained and are volunteers. If this continues, no one will volunteer to sit on the community management committees in future. The Dept has said that they will try and travel to regional areas to conduct these sessions, but this is impractical given that the timing of these are dependent on individual circumstances.

- There is a **lack of transparency** about the criteria for selecting providers to sit the test. The Department has advised that this is based on the risk profile, but have not given any details about how this is calculated, nor is any pattern visible from the reports received. It seems very much based on the whim of the Department.
- There does not appear to be an **appeal process** if an applicant believes that they have been unfairly rejected.

Suggested Improvements:

- Remove the test requirement except in extreme cases or where there is a high level of risk. Replace this with an online training session in order to make it easily accessible. Most owners and providers would actively engage with anything that would help them provide the best outcome for children as long as it was easily accessible and presented in a non-threatening manner.
- Where there is concern about identity fraud, make use of local councils to conduct identity checks and provide training, workshops or the assessment where required. This will address the issue for regional and remote services.
- A timeline graphic to clearly indicate the process of approval.
- Clear guidelines and transparency about the process and genuine collaboration with the sector when introducing new measures.

Current ACA NSW Activities:

- Under Freedom of Information (FOI) and/or Government Information (Public Access) (GIPA), ACA NSW has lodged an application for a report demonstrating the correlation between approved providers' length of service, their ratings, the last time they were assessed and rated, and their performance through the Enhanced Service Approval Process. We will also be seeking similar information of other Australian jurisdictions.
- Also under FOI/GIPA, ACA NSW will be asking for the minimum, average and maximum times when new service provider applications have been processed, as well as their approvals/refusal rates.

About the Australian Childcare Alliance (ACA) NSW:

- ACA NSW is the peak body for privately owned early childhood education and care services in NSW.
- ACA NSW is registered as an industrial relations organisation with the NSW Industrial Relations Commission.
- ACA NSW members collectively represent approximately 1,600 Education and Care services and support over 125,000 families.
- ACA NSW provides advocacy, policy and regulatory support and advice, member services and professional development for members across the state.
- ACA NSW is a member of the Australian Childcare Alliance alongside sister-state-bodies in Victoria, Queensland, South Australia and Western Australia.

How to contact ACA NSW:

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