



**Kindergarten Parents Victoria**  
**Discussion Paper: *Regulation Impact Statement for Early Childhood Education and Care Quality Reforms***  
**August 2009**

The Council of Australian Government's Quality Reform Agenda will change the way early childhood services operate in Victoria and around the country. Changes to staff ratios, qualifications and the introduction of a public quality rating system are all in the mix of proposed reforms. In the coming years, managers of all early childhood services will need information and support from government to implement the reforms. Their challenge is to demonstrate leadership in adapting to a changing sector.

### **Context**

The overarching goal of the Quality Reform Agenda is to improve the welfare of children, parents and society. The following are underlying goals of the Agenda:

- Supporting families' workforce participation through ensuring the availability of high-quality and affordable childcare services.
- Addressing information asymmetries to enable parents to make well-informed choice regarding childcare.
- Supporting disadvantaged children.

Currently significant differences exist on structural components of quality between states and territories. The Quality Agenda will enhance consistency in quality nationally, and promises to heighten quality standards in many jurisdictions. The Agenda is intended to deliver certainty for organisations about national regulatory requirements in the provision of services and improve accountability for funding in early childhood services.

### **Scope of the RIS for Early Childhood Education and Care Quality Reforms**

The service types addressed by the RIS include preschools, long day care, family day care and out of school hours care. These services have been selected due to the large numbers of children in these services and because they are already subject to significant regulation. Over time the Quality Agenda may be extended to other services. The following initiatives are proposed in the RIS:

- A National Quality Standard
- Enhanced regulatory arrangements
- A National Quality Ratings Framework

The Early Years Learning Framework is a fourth area of reform and has been released to the sector for implementation. Details of support for the early childhood sector for implementation of the framework are anticipated. The EYLF is integrated in the new National Quality Standard.

### **Implementation**

Many of the policy options outlined in the RIS present different timeframes for implementation. The RIS identifies the following implementation issues for early childhood services:

- When current assessment processes change (state/territory and NCAC) and who will be undertaking them in future.
- When they will be required to meet the new National Quality Standard, and what it entails.

- What arrangements will prevail if they do not meet the new National Quality Standard within the agreed timeframe.
- What training and development opportunities will be available.
- How the Child Care Benefit and Child Care Tax Rebate eligibility links with the new system (RIS 2009: 42).

The reforms entail significant change in the roles of different levels of government. This change will occur parallel to the emergence of local government in early childhood service provision via an anticipated expanded role in cluster management and Municipal Early Years Plans.

## The three elements in the RIS

1. A National Quality Standard	2. Enhanced regulatory arrangements	3. A quality rating system
<p>While the available evidence suggests that the most important aspect of quality is the nature of the interaction between the teacher and the child, this is difficult to define and regulate. However, well-qualified staff and low staff-to-child ratios are two elements which provide the context in which quality is likely to occur.</p>	<p>The development of enhanced regulatory arrangements is intended to ensure that implementation of the National Quality Standard and Ratings Framework creates a more efficient and less burdensome regulatory environment for ECEC providers.</p>	<p>If families are well-informed and have confidence in the quality of the early learning and care their children are receiving, this will facilitate more informed choices regarding the decisions that they make with regard to their children's development needs and their workforce participation.</p>
<p>The draft standard includes two prime structural indicators of quality of care:</p> <ol style="list-style-type: none"> <li>1. Staff-to-child ratios; and</li> <li>2. Educational qualifications of the workforce.</li> </ol> <p>There is a large body of evidence that suggests smaller ratios and qualified staff are drivers of quality child care, and the standard aims to achieve access to high-quality services for all Australian children by improving these</p>	<p><b>Option 1: No COAG policy change in regulation</b></p> <p>The Australian Government is responsible for accreditation of child care services through an Australian Government body. States and territories regulate child care through their own regulatory and licensing systems including building and safety requirements, staff to child ratios and staff qualifications. The NCAC or similar national body will remain responsible for administering the Australian Government quality assurance system.</p>	<p><b>Option 1: No COAG policy change</b></p> <p>Currently services receive a Quality Profile Certificate from the NCAC in which the services' performance against each quality area is graphed. The Quality Profile Certificate is to be displayed within their service for the provision of information to parents. This is solely based on the assessment a service receives against the current</p>
<p>The quality areas are:</p> <ol style="list-style-type: none"> <li>1. Educational program and practice The Early Years Learning Framework</li> <li>2. Children's wellbeing, health and safety</li> <li>3. Physical environment</li> <li>4. Staffing arrangements including ratios and qualifications</li> <li>5. Relationships</li> <li>6. Collaborative partnerships with families and communities</li> <li>7. Leadership and service management</li> </ol>	<p><b>Option 2: An integrated national system for administering the National Quality Standard and Ratings Framework, and a new national body assuring national consistency</b></p> <p>This option is a genuinely integrated national system with the following features:</p> <ul style="list-style-type: none"> <li>o A unified national system to replace current licensing and quality assurance processes;</li> <li>o A single set of improved national standards that encompass and integrate education and care,</li> <li>o Joint governance of the national quality system,</li> <li>o A national body or bodies with joint governance arrangements to oversee the administration of the national system;</li> <li>o No duplication of regulation across levels of government or sectors; and</li> <li>o Jurisdictions not moving unilaterally to increase standards in the future.</li> </ul>	<p><b>Option 2: Implement a new rating system based on the new National Quality Standard</b></p> <p>This option would see the introduction of a quality rating system which integrates the new national standard.</p> <p>In assessing services against the new quality standard, it is proposed that services will also receive an overall rating and ratings for each of the seven quality areas which would give them a quality profile. The five possible ratings a service could achieve would be:</p> <p>NCAC standards.</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Unsatisfactory:</li> <li><input type="checkbox"/> Operating Requirements:</li> <li><input type="checkbox"/> National Quality Standard:</li> <li><input type="checkbox"/> High Quality:</li> <li><input type="checkbox"/> Excellent:</li> </ul>

## **1. A National Quality Standard**

Some standards for each component are listed but the specific indicators for measurement for different settings are not developed in the RIS. The regulatory arrangements decided on will set new minimum standards for children's services. In Victoria, the updated Children's Services Regulations 2009 came into operation on 25 May 2009. Many aspects of the National Quality proposals entail less rigorous reforms than those set out in the Victorian Children's Services Regulations 1998. Where a jurisdiction is above the agreed National Quality Standard, that jurisdiction will not be required to change.

### ***Staff qualifications***

#### *Option 1:*

No COAG policy change. Under this option states and territories will be free to choose whether or not to make their own changes to ratios, and may include some growth. A broad range of standards for qualifications will remain.

Work is being done to develop a list of appropriate qualifications to deliver educational and early childhood development leadership (RIS 2009: 28)

#### *Option 2:*

- All staff working with children would be required to have a minimum Certificate III level qualification (or be enrolled in study) no later than the end of 2013.
- Fifty per cent of all staff working with children are to have a qualification (or be enrolled in study) of Diploma or above by no later than the end of 2013.
- Services that have 25-59 children on any day, are required to employ 1 full-time university qualified early childhood teacher by 2013.
- Services that have 60-80 children on any day, are required to employ 0.5 of an additional university qualified professional by 2015, and a full additional university qualified professional for services with over 80 children on any day (with exact requirements for additional professionals to be determined).
- Services with less than 25 children would be expected to have access to a proportion of an early childhood qualified teacher for educational leadership by 2013.
- Where the service provision only includes children birth to 3 years or where there is already a qualified teacher on site an appropriate alternative qualification may fulfil this requirement (with the need for and exact requirements for additional professionals to be determined).

#### *(Victorian) Children's Services Regulations 1998*

- All staff in standard licensed services to have Cert III by Jan 1 2012
- A degree qualified teacher in all standard licensed children's services by Jan 1 2014

## Ratios

Below are the options for staff/child ratios proposed as part of the National Quality Standard:

Option 1.	<ul style="list-style-type: none"><li>No COAG Policy Change. Under this option states and territories will be free to choose whether or not to make their own changes to ratios, and may include some growth. A broad range of standards for ratios between jurisdictions will remain.</li></ul>
Option 2.	<ul style="list-style-type: none"><li>For children from birth to 24 months the staff-to-child ratio to be 1:4 no later than the end of 2015.</li><li>For children aged 25 to 35 months the staff-to-child ratio to be 1:5 no later than the end of 2015.</li><li>For children 36 months to school age the staff-to-child ratio to be 1:11 no later than the end of 2016.</li></ul>
Option 3.	<ul style="list-style-type: none"><li>For children from birth to 24 months the staff-to-child ratio to be 1:4 no later than the end of 2011.</li><li>For children aged 25 to 35 months the staff-to-child ratio to be 1:5 no later than the end of 2014.</li><li>For children 36 months to school age the staff-to-child ratio to be 1:11 no later than the end of 2015.</li></ul>
Option 4.	<ul style="list-style-type: none"><li>For children from birth to 24 months the staff-to-child ratio to be 1:4 no later than the end of 2010 and 1:3 no later than the end of 2020.</li><li>For children aged 25 to 35 months the staff-to-child ratio to be 1:5 no later than the end of 2015.</li><li>For children aged 36 months and over the staff-to-child ratio to be 1:10 no later than the end of 2013.</li></ul>

*(Victorian) Children's Services Regulations 1998*

- Children aged 0-3 ratios of 1:4, 1:12 qualified by Jan 1 2012
- Children over 3yo ratios of 1:15, 1:30 qualified by Jan 1 2012

## 2. Enhanced regulatory arrangements

The creation of a single national body to manage the licensing, regulation and accreditation of children's services is a significant development in the implementation of the National Quality Reforms. This new body is proposed to replace the dual systems that exist for child care accreditation and funding (Commonwealth) and kindergarten funding and early childhood service regulation and licensing (Victorian government). The national body will feature a joint governance role for the states and territories. No parent role in jointly governing or providing advice to the national body has been proposed at this stage. The role of the states in acting as delegated authorities to the national body has not been confirmed, but is likely given the experience of the state in working with local service providers in the delivery of early childhood services.

## 3. A Quality Rating System

The draft Quality Ratings Framework combines the National Quality Standard with a rating system. The current licensing, regulation and accreditation arrangements do not provide information to parents on service quality. This lack of information is said to limit the ability of parents to select services based on the best information available regarding service quality and leads to parents:

- Purchase services that are inappropriate for their or their child's needs
- Pay higher than competitive prices for the services they purchase
- Not receive the quality of care they believe they have purchased

It is not clear that improved information for parents will have the positive effect on quality intended. As identified by the OECD, 'Issues of affordability, convenience and access may act to constrain

parental pursuit of quality care’ (RIS 2009: 21). These issues are unlikely to be addressed by a quality ratings framework, though other quality reforms will have a positive impact on service quality.

*Option 1: No change*

*Option 2: Implement a new rating system based on the new National Quality Standard*

The rating system below integrates the proposed National Quality Standard. Services receive a rating against each of the seven quality areas as well as an overall rating. These results together form a quality profile for services which will be available to parents. Each level will be defined by a set of criteria, including qualitative and quantitative assessment by an external assessor on key areas. The aim is to have no duplication and reduced red tape for service providers (RIS 2009: 29).

Quality Rating	
Unsatisfactory	Services will receive an unsatisfactory rating when they do not meet the National Quality Standard, or, prior to legislation for a national minimum standard coming into effect in each jurisdiction, do not meet relevant state or territory licensing requirements.
Operating requirements	This rating will apply to new services to allow them to operate prior to formal assessment against the National Quality Standard, and to services that are not currently meeting the National Quality Standard but have a plan which works toward meeting the required standard. Prior to legislation for a national minimum standard coming into effect in each jurisdiction it will also apply to services that meet the relevant state or territory licensing requirements in order to operate, but do not meet some aspects of the National Quality Standard where these are greater than state or territory licensing requirements.
National Quality Standard	This rating requires services to meet the National Quality Standard in the areas of educational program and practice; children’s wellbeing, health and safety; physical environment; staffing arrangements; relationships – interactions within the service; collaborative partnerships with families and communities; and, leadership and service management.
High Quality	This rating requires a service to meet the National Quality Standard levels plus additional elements. These may include exceeding the National Quality Standard in identified areas to achieve higher quality outcomes. High Quality services would be expected to provide access to preschool, in line with the Universal Access commitments.
Excellent	A service will achieve an overall rating of Excellent by nomination and assessment as a centre of excellence. Services in this category would be services that demonstrate excellence in the provision of ECEC by actively fostering innovation, for example excellence in ECEC integration, social inclusion, and community engagement.

**Discussion questions:**

- Which of the options for ratios and staff qualifications strike the correct balance?
- Will the ratings framework support parents to choose high quality services?
- What kinds of workforce strategies will be necessary to implement the reforms?
- What will be the cost of implementing the reforms in your service/s?
- What other implementation issues are raised by the RIS for you?

What other issues/questions does the RIS raise for you?