

EXPLANATORY STATEMENT

Child Care Benefit (Eligibility of Child Care Services for Approval and Continued Approval) Amendment Determination 2001 (No. 1)

Summary

This Determination is made under subsection 205(1) of the *A New Tax System (Family Assistance) (Administration) Act 1999* (the Administration Act).

The purpose of this Determination is to amend the Child Care Benefit (Eligibility of Child Care Services for Approval and Continued Approval) Determination 2000 (the Approval Determination). The Approval Determination sets out rules relating to the eligibility of child care services to become, and remain, approved child care services for the purposes of child care benefit (CCB).

This Determination introduces, from 1 July 2001, new quality assurance rules relating to approval and continued approval of family day care services.

Background

Under the *A New Tax System (Family Assistance) Act 1999*, a person may be eligible for CCB for child care provided by an “approved child care service”. An “approved child care service” is a service which is approved by the Secretary in accordance with Division 1 of Part 8 of the Administration Act. Subsection 205(1) of that Act provides that the Minister may determine rules relating to the eligibility of child care services to become approved, and to continue to be approved. Under paragraph 195(1)(c) of the Administration Act, a child care service must satisfy these rules in order to be approved, and under subsection 196(1) the approved service must satisfy the rules in order for its approval to continue.

This Determination amends the Approval Determination to take into account the introduction, from 1 July 2001, of the new Family Day Care Quality Assurance system administered by the National Childcare Accreditation Council. The Family Day Care Quality Assurance system gives effect to the Government’s commitment to quality assurance in family day care, as announced in its pre-election Certainty for Families Policy of February 1996. In this policy the Government stated that “there will be an extension of accreditation and quality assurance to other sectors of child care, including family day care...” (Liberal and National Parties’ Families Policy, Certainty for Families, February 1996, page 12). In the 2000/2001 Budget, the Government reinforced its commitment to the introduction of quality assurance to family day care through the provision of funding for the development and implementation of a quality assurance system for family day care services.

Currently, state and territory regulatory systems for family day care, where these systems exist, are concerned with health and safety aspects of care and only some states incorporate any reference to quality of care. These systems, and the National Standards which provide the basis for a uniform national approach to the licensing of family day care, only provide for a minimum standard of care and do not ensure improvement in the quality of care in relation to the emotional and educational development of children. The Family Day Care Quality Assurance system will build on the National Standards and provide accreditation for family day care services to ensure the consistent provision and improvement of high quality child care by these services. It is intended that accreditation for family day care services through the Family Day Care Quality Assurance system will improve consumer perceptions of family day care and provide parents with greater certainty about the quality of care being provided.

Detailed explanation of the Family Day Care Quality Assurance system, and its impact on family day care services, is included in the Regulation Impact Statement entitled "Quality Assurance in Family Day Care".

This Determination establishes a link between the payment of CCB and the participation of family day care services in the Family Day Care Quality Assurance system. It requires these services to be registered with the National Childcare Accreditation Council as participants in the Family Day Care Quality Assurance system and participate in the system in order to become approved, and to continue to remain approved, for CCB purposes.

These new quality assurance requirements for family day care services are similar to the existing requirements for centre based long day care services, under which the long day care services must participate in the National Childcare Accreditation Council's Quality Improvement and Accreditation System (QIAS) in order to become approved and remain approved for CCB purposes.

Explanation of the clauses

Name of Determination

Clause 1 states the name of this Determination.

Commencement

Clause 2 states that this Determination commences on 1 July 2001.

Amendment of Approval Determination

Clause 3 states that Schedule 1 amends the Approval Determination.

Explanation of the items in Schedule 1

Item 1 – definition of FDC QA

Item 1 inserts a definition of “FDC QA” into subsection 3(1). “FDC QA” means the Family Day Care Quality Assurance system administered by the National Childcare Accreditation Council for family day care services.

Item 2 – definition of QIAS

Item 2 substitutes a new definition of QIAS in subsection 3(1) to distinguish it from FDC QA, which relates to family day care services, and make it clear that QIAS relates to centre based long day care services.

Item 3 – registration to participate in FDC QA

Item 3 inserts a new section 14A. Section 14A provides that where an applicant is applying for approval of a family day care service, the service must be registered with the National Childcare Accreditation Council as a participant in the Family Day Care Quality Assurance system. This requirement must be met before the service can become approved for CCB purposes. This requirement applies to new applications for approval that are made on or after 1 July 2001 in respect of the provision of family day care services from 1 July 2001 or later.

Item 4 – participation in FDC QA and registration and participation in FDC QA

Item 4 inserts a new section 23A. Section 23A applies to those approved family day care services to which the new section 14A applies, that is, to services registered as participants in the quality assurance system at the time of their approval. Section 23A requires such a service to participate in the Family Day Care Quality Assurance system in accordance with any quality assurance requirements published by the National Childcare Accreditation Council, and to maintain good quality child care and make satisfactory progress to improve the quality of child care in accordance with the Family Day Care Quality Assurance system as assessed by the National Childcare Accreditation Council. The service must meet these requirements in order for that service to continue to be approved for CCB purposes.

Item 4 also inserts a new section 23B. Subsection 23B(1) provides that section 23B applies to those approved family day care services to which section 14A does not apply. That is, this section applies to existing family day care services that are already approved at 1 July 2001 and to services approved after 1 July 2001 in respect of the provision of family day care services that started before 1 July 2001. At the time of their approval, those services would not be registered as participants in the quality assurance system.

Subsection 23B(2) provides that a family day care service to which this section applies must be registered with the National Childcare Accreditation Council as a participant in the Family Day Care Quality Assurance system, participate in the Family Day Care Quality Assurance system, maintain good quality child care and make satisfactory progress to improve the quality of child care in accordance with the Family Day Care Quality Assurance system as assessed by the National Childcare Accreditation Council. The service must meet these requirements in order for the service to continue to be approved for CCB purposes.

The quality assurance requirements imposed by section 23B apply from “the registration day” (subsection 23B(1) refers). Subsection 23B(3) defines the term “the registration day” as the day, later than 1 July 2001, that the National Childcare Accreditation Council determines and notifies in writing to an approved family day care service to which this section applies.

As a consequence of the new quality assurance requirements in sections 23A and 23B, if the Secretary is satisfied that an approved family day care service is not complying, or has not complied, with any of these requirements, the Secretary may impose a sanction on the service under subsection 200(1) of the Administration Act, such as suspending the service’s approval.