

EXPLANATORY STATEMENT

Child Care Benefit (Eligibility of Child Care Services for Approval and Continued Approval) Amendment Determination 2003 (No. 2)

Summary

This Determination is made under subsection 205(1) of the **A New Tax System (Family Assistance) (Administration) Act 1999** (the FA 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 2003, new quality assurance rules relating to approval and continued approval of outside school hours care services.

This Determination also makes minor amendments of stylistic nature to some of the existing provisions to clarify the meaning of these provisions.

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 FA 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 FA 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 2003, of the new Outside School Hours Care Quality Assurance system administered by the National Childcare Accreditation Council. The Outside School Hours Care Quality Assurance system gives effect to the Government’s 2001/2002 Budget commitment to quality assurance in outside school hours care. In the 2000/2001 Budget, the Government reinforced its commitment to the introduction of quality child care for families through the provision of funding for the development and implementation of a quality assurance system for outside school hours care services.

Currently, there is little consistency between the existing State and Territory regulatory systems for outside school hours care, and, where these systems exist, they are concerned with health and safety aspects of care. These systems only provide for a minimum standard of care. The National Standards for the provision of outside school hours care agreed in 1996 by the Commonwealth and the State/Territory governments have not been implemented in all States and Territories. Where implemented, they address facilities, health and safety, programs, administration and the people providing care. Neither the existing regulatory system nor the standards ensure improvement in the quality of care in relation to the emotional and social development of children.

The Outside School Hours Care Quality Assurance system will build on the National Standards and provide accreditation for outside school hours care services to ensure consistent provision of quality care that promotes learning and development with particular emphasis on play, social interaction and recreation. By defining quality in outside school hours care, providing ways to measure it and identifying areas of improvement, the new system will ensure that children in this type of care have an appropriate environment that fosters their self-esteem and confidence.

The purpose of the child care quality assurance systems is to ensure that children in child care receive positive, stimulating experiences and interactions that foster all aspects of their social and emotional development. The quality assurance systems do this by measuring the factors that determine quality to gauge the standard of care and education that actually exists in a particular service. The quality assurance systems define quality as positive outcomes for children's learning and development.

The determining aspects of quality are broken down into major principles of quality care. These principles have been developed in consultation with early childhood experts and stakeholders from child care services. Long day care centres, family day care schemes and outside school hours care services achieve accreditation through the quality system by reaching all the standards required within each principle. The quality assurance systems for long day care, family day care and outside school hours care validate the quality of care provided through the following mechanisms:

- self-study by the service of their child care practices;
- surveys of families, staff and management;
- visits to the service undertaken by a peer validator to observe and record evidence of quality practice;
- moderation of the above by experts qualified in early childhood studies and experienced in child care (an assessment is made of the level of quality care being provided by the child care service);
- linking an accreditation decision to the recommendation from the moderation process.

The Commonwealth funds the National Childcare Accreditation Council to administer the quality assurance systems for long day care, family day care and outside school hours care. More information about the quality assurance systems may be found on the Council's website www.ncac.gov.au

It is expected that accreditation of outside school hours care services through the Outside School Hours Care Quality Assurance system will improve consumer perceptions of outside school hours care and provide parents with greater certainty about the quality of care being provided.

Detailed explanation of the Outside School Hours Care Quality Assurance system, and its impact on outside school hours care services, is included in the Regulation Impact Statement entitled "Quality Assurance in Outside School Hours Care".

This Determination establishes a link between the payment of CCB and the participation of outside school care services in the Outside School Hours Care Quality Assurance system. It requires these services to be registered with the National Childcare Accreditation Council as participants in the Outside School Hours Care Quality Assurance system and participate in the system satisfactorily (that is, as required by the system) in order to become approved, and to continue to remain approved, for CCB purposes.

These new quality assurance requirements for outside school hours care services are similar to the existing requirements for centre based long day care services and family 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) and the family day care services must participate in the Family Day Care Quality Assurance System (FDCQA) 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 2003.

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 OSHCQA

Item 1 inserts a definition of “OSHCQA” into subsection 3(1). “OSHCQA” means the Outside School Hours Care Quality Assurance system administered by the National Childcare Accreditation Council for outside school hours care services. The system is administered in accordance with the publications identified in the Determination. A note to the definitions informs the reader that these publications are available at the Council’s website.

Item 2 – registration to participate in OSHCQA

Item 2 inserts a new section 14B. Section 14B provides that where an applicant is applying for approval of an outside school hours care service, the service must be registered with the National Childcare Accreditation Council as a participant in the Outside School Hours 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 2003 in respect of the provision of outside school hours care services from 1 July 2003 or later.

A note to section 14B refers the reader to subsection 24B for the quality assurance requirements applicable to services who apply, on or after 1 July 2003, for retrospective approval of a service from a day earlier than 1 July 2003.

Items 3, 4 and 5

Items 3, 4 and 5 make minor amendments of stylistic nature to paragraphs 23(b), 23A(b) and 23B(2)(c) to clarify the meaning of the requirements in these paragraphs relating to standard of care.

These paragraphs impose a requirement on approved centre based long day care services (paragraph 23(b)) and approved family day care services (23A(b) and 23B(2)(c)) to maintain “good quality” child care. The reference to “good quality” care is intended to mean a standard of care higher than the unsatisfactory level under the Quality Improvement and Accreditation System (QIAS) for long day care centres and the Family Day Care Quality Assurance (FDCQA) system for family day care centres. Under those quality assurance systems the relevant “good quality” standards are described as “satisfactory”, “good quality” or “high quality” standards. The use of the same expression, “good quality”, to mean all the quality standards (meaning in paragraphs 23(b), 23A(b) and 23B(2)(c)) and to mean one of the quality standards (meaning used in the description of standards in QIAS and FDCQA) may be confusing.

Items 3,4 and 5 replace the reference to “good quality” care in paragraphs 23(b), 23A(b) and 23B(2)(c) with the reference to “quality” care to clarify that the standard of care requirement in these provisions relates to the “satisfactory”, “good quality” or “high quality” level of standards and not only to the “good quality” level.

Item 6 – participation in OSHCQA and registration and participation in OSHCQA

Item 6 inserts a new section 24A. Section 24A applies to those approved outside school hours care services to which section 14B applies, that is, to services registered as participants in the quality assurance system at the time of their approval. Section 24A requires such a service to participate in the Outside School Hours Care Quality Assurance system in accordance with any quality assurance requirements published by the National Childcare Accreditation Council. It also requires the service to maintain quality child care and, in the case of a service that has not yet reached that standard of care, to make satisfactory progress to improve the quality of child care in accordance with the Outside School Hours Care Quality Assurance system. The quality of care and progress are 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 6 also inserts a new section 24B. Subsection 24B(1) provides in its effect that section 24B applies to those approved outside school hours care services to which new section 14B does not apply. That is, section 24B applies to existing outside school hours care services that are already approved as at 1 July 2003 and to services approved after 1 July 2003 in respect of the provision of outside school hours care services that started before 1 July 2003. At the time of their approval, those services would not be registered as participants in the quality assurance system.

Subsection 24B(2) provides that an outside school hours care service to which this section applies must be registered with the National Childcare Accreditation Council as a participant in the Outside School Hours Care Quality Assurance system and participate in the system satisfactorily (that is, as required by the system). The service is also required to maintain quality child care and, if that level of care is not yet reached, to make satisfactory progress to improve the quality of child care in accordance with the Outside School Hours Care Quality Assurance system. The quality of care and progress are assessed by the National Childcare Accreditation Council. The services to which section 24B applies must meet these requirements in order for the service to continue to be approved for CCB purposes.

The quality assurance requirements imposed by section 24B apply from “the registration day” (subsection 24B(1) refers). Subsection 24B(3) defines “the registration day” as the day, later than 1 July 2003, that the National Childcare Accreditation Council determines and notifies in writing to an approved outside school hours care service to which this section applies.

As a consequence of the new quality assurance requirements in sections 24A and 24B, if the Secretary is satisfied that an approved outside school hours 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 FA Administration Act, such as suspending the service's approval.