

CCCAV'S SUBMISSION TO THE 2009 CHILDREN'S SERVICES REGULATIONS AND REGULATORY IMPACT STATEMENT (RIS)

EXECUTIVE SUMMARY

Purpose of Review of Children's Services Regulations

1. Regulations are being reviewed as part of Victoria's ongoing regulation reform. All regulations are reviewed periodically to ensure they remain relevant and efficient. That housekeeping is a good time to explore whether (already good) service-quality can be made even better and, if so, to explore options, and then choose the best option.

The main questions – what are the barriers to improving already good service-quality, and how can they be best overcome?

2. A proven way to improve already good quality is through better regulation decision-making. The issue is not whether centre regulation is needed, but how to improve the quality of that regulation. The objective is not 'more regulation' – it is 'better-quality regulation'.

Good-quality, well-designed regulation must be guided by the correct principles and be based on sound evidence. 'Regulating first, and asking questions later' can't be risked when children, families, and jobs are on the line.

3. The Review should not try to fix what is not broken. Service-quality in centres is demonstrably good. Victoria should look for ways to improve already good standards, being careful not to do more harm than good to children and parents by reducing quality rather than improving it, by forcing parents from high-quality but higher-cost centres into lower-quality but cheaper alternatives.

4. Barriers to be overcome include: needless harm to affordability; needless loss of thousands of under-three places; making chronic staff-shortages worse; making poor coordination between Victorian and Federal governments worse, undermining Australia's effective and successful partnership between government and child care market.

Higher qualifications and more staff will increase cost but may not increase quality

5. Attempting to lift quality through qualification and staffing changes may reduce quality, reduce supply, reduce child and parent participation, increase costs, worsen existing labour shortages, eliminate or de-motivate competent teachers, reduce parent workforce-participation, reduce productivity, and undermine a well-functioning open and competitive marketplace by weakening market incentives rather than strengthening them.

6. The proposals wrongly presume that 'qualification' equals 'competence'. The quality of learning is more associated with the quality of teachers (and management) rather than with their qualifications.

7. Victoria's qualifications are already 'better', based on international comparisons. Victoria's high standards do *not* mean that we should not look for ways to improve them. But that search needs to be fair – to all children, parents, and to existing employees and existing operators.

8. Degree-qualified and TAFE-qualified staff should not be seen as an 'either/or' choice. Learning methods in 0-5, play-based, parenting-connected centres succeed because of teamwork, with members having different tasks and roles requiring a mix of different competencies. Imposing formal-school methods, and inflexible management practice, is heading in exactly the wrong direction.

Decision-making is unfinished - because evidence gathering is incomplete

9. Because it applied wrong assumptions when assessing impacts of staffing and qualification proposals, the RIS:

- Underestimates price and affordability impacts – because it modelled cost impact on a wrong understanding of how most centres operate, particularly in relation to staffing numbers and centre configuration,
- Did not model likely serious loss of baby places – because it wrongly thought that all centres would be able to accommodate increased staff numbers, and that all centres would be able to accommodate more children in different age-groups,
- Wrongly assumed that Certificate III staff are paid the same amount as so-called unqualified staff,
- Wrongly assumed that salary on-costs are 11%, instead of 25%
- Misunderstood likely restrictions on competition flowing from the imposition of more stringent standards on centres but not on their competitors in family day care and other sectors,
- Misunderstood research on child-staff ratios, and on qualifications, and on the main driver of service-quality,
- Wrongly assumed that the problem with supply is undersupply, when in fact the problem is oversupply, in most locations and for most age-groups,
- Misunderstood the nature and extent of existing staff shortages, and thus failed to model appropriate workforce planning strategies. Instead of encouraging traineeships, the proposals will discourage the entry of staff

10. Failure to base decision-making on sound evidence, and failure to share the right information with the right people at the right time results in staff and qualification proposals that are unsafe:

- The decision-making wrongly assumes that existing service-quality is poor, and then wrongly assumes that the solution to that imagined problem is more staff and higher staff qualifications, based on an inadequate and incomplete understanding of the research on child-staff ratios and on the effect of changing qualification requirements,
- Instead of looking for the right answers to the right problems, the RIS started with answers, and then looked for evidence to support that pre-existing position.

Those decision-making inadequacies result in proposals which:

- Unduly trespass on the rights of existing children, parents, staff, and providers,
- Make those rights unduly dependent on Departmental discretion,
- Are inconsistent with the principles of justice and fairness,
- Will result in operational uncertainties requiring ongoing explanation as to intention – in particular in relation to minimum staffing levels, and general layout of centres,
- Have been prepared in contravention of the provisions of Victoria's Guide to Regulation,
- Will result in unintended consequences which in turn will mean that costs will outweigh benefits.

Solutions

Temporarily delay the introduction of staffing and qualification proposals, pending design of strategies to avoid unintended consequences.

Improve coordination between governments – in current economic circumstances, Victoria should not increase parent costs through staffing or qualification changes unless and until the Commonwealth formally agrees to fund them.

Use existing-use rights protection to manage space constraints – any loss of baby places can be prevented by using existing-use rights mechanisms. Proposals on staffing and qualification changes can not safely proceed until these protections have been designed.

Use information better – provide better information to all Victorian families about the child-development reasons for using childcare – explaining why good-quality matters, what it looks like, where to find it, and why centres are already such good value for money.

Concentrate on the most important quality drivers – including by investigating improved In-Service and other professional development methods.