

## Outcome 1

### **Improved access to quality services that support early childhood learning and care for children through a national quality framework, agreed national standards, investment in infrastructure, and support for parents, carers, services and the workforce**

The Australian Government has an ambitious reform agenda to improve the quality, affordability and accessibility of early childhood education and child care.

The critical importance of a child's early years to their long-term development, health and wellbeing is well established. Early childhood is the foundation for developing the skills necessary for the future. Providing all children with access to high-quality early education programs is one of the most effective ways to help them get the best possible start in life. Having children enjoy their early childhood, be ready for school and grow up prepared for adult life is vital for their social inclusion.

There are significant social and economic returns from investing in the early childhood years through expanding and enhancing the early childhood education and care system. The Council of Australian Governments (COAG) has therefore committed that by 2013 every child will have access to a quality preschool program in the 12 months prior to full-time schooling. The Australian Government's contribution to this effort includes \$970 million in funding over five years (2008–09 to 2012–13). Delivery of the commitment will improve the quality, duration and accessibility of preschool programs for children and their families; more children will receive preschool to a better standard. To date, all states and territories have reported positive progress in this five-year reform.

It is critical that the experiences of children in care settings, particularly the most vulnerable children, positively contribute to their learning and development. The Government is providing support through initiatives such as the Children and Family Centres, which deliver integrated services including early learning, child care and family support programs through the National Partnership Agreement on Indigenous Early Childhood Development. The first such centre opened in early May 2011 in Canberra, offering access to early learning activities, playgroup and parental courses as well as other important services such as maternal and child health and allied health services.

Through COAG, all governments have committed to a number of improvements through the introduction of a National Quality Framework for Early Childhood Education and Care. From 1 January 2012 the framework will deliver a:

- new national quality standard
- quality ratings system
- streamlined regulatory system
- new national authority, the Australian Children's Education and Care Quality Authority, to guide implementation and management of the quality system.

The new national legislation is expected to come into effect on 1 January 2012, with gradual implementation of improved ratios and staff qualifications over subsequent years. To support the introduction of the National Quality Framework, the *Education and Care Services National Law Act 2010*, developed by all states and territories and passed by the Victorian Parliament in October 2010, is being enacted across jurisdictions and will come into effect on 1 January 2012.

#### **Key priorities**

In 2010–11, the key priorities for Outcome 1 were to:

- develop operational policies and processes for implementation of the National Quality Framework on 1 January 2012. This includes national learning frameworks (Early Years Learning Framework and Framework for School Age Care), national applied laws legislation and national regulations to ensure that the framework is supported by a valid and robust assessment and rating process

- establish the Australian Children’s Education and Care Quality Authority and wind up the National Childcare Accreditation Council
- improve payment flexibility for families by introducing fortnightly Child Care Rebate payments from July 2011
- progress the key COAG commitments that underpin the National Early Childhood Development Strategy, including the National Partnership Agreement on Early Childhood Education, the National Quality Framework and the National Partnership Agreement on Indigenous Early Childhood Development
- complete the national rollout of the Home Interaction Program for Parents and Youngsters to 50 communities
- release the final results of the Australian Early Development Index
- commence implementation of the \$59.4 million budget measure to improve standards in Budget Based Funded child care services by delivering infrastructure improvements, increasing the number of qualified staff and improving governance capacity to some 340 services nationally. Of these services, approximately 260 are Aboriginal and Torres Strait Islander focused
- improve the information available for parents to support their child care choices through further development of the [www.mychild.gov.au](http://www.mychild.gov.au) website and improvement of the Child Care Access Hotline.

### Key achievements

- The cornerstone of the regulatory framework that will underpin the National Quality Framework was released in October 2010 with the passage of the *Education and Care Services National Law Act 2010* by the Victorian Parliament. The Education and Care Services National Law was developed cooperatively by the Commonwealth and all states and territories. At 30 June 2011, New South Wales had adopted the national law by enacting the *Children (Education and Care Services National Law Application) Act 2010*, with other states and territories to follow.
- The National Childcare Accreditation Council completed its final validation visits at the end of June 2011.
- The Australian Government continued to work towards establishing the Australian Children’s Education and Care Quality Authority, the new national body that will oversee the National Quality Framework, in consultation with all states and territories.
- Good progress towards universal access was achieved on a number of indicators specified in the National Partnership Agreement on Early Childhood Education over the 2010 calendar year as reported by state and territory governments in their 2010 annual reports.
- Fifteen new centres for the Home Interaction Program for Parents and Youngsters were established and funding continued for 35 existing sites across Australia.
- The latest data from the first national implementation of the Australian Early Development Index was released in April 2011, giving 96 per cent of Australian communities access to community profiles and maps that show the health and wellbeing of their children.
- Infrastructure upgrade needs were assessed for 63 Budget Based Funded child care services and arrangements were advanced to facilitate delivery of the upgrades and new builds required.
- The *Educators’ guide to the Early Years Learning Framework* was published on the department’s website in December 2010. The guide includes a useful section that illustrates the framework in action through written and photographic reports from practitioners. By February 2011, more than 16 000 copies of the guide had been disseminated to early childhood services.
- The Framework for School Age Care was developed for endorsement by the Ministerial Council for Education, Early Childhood Development and Youth Affairs.
- An information paper on the Education and Care Services National Law and proposed national regulations was released on 22 December 2010, followed by an exposure draft of the regulations on 7 March 2011. Like the development of the national law, the Education and Care Services National Regulations is a cooperative effort between the Australian Government and states and territories. The

release of the exposure draft was followed by national consultation forums and a public submission process. All jurisdictions are working together to finalise the regulations.

- Improvements were made to the [www.mychild.gov.au](http://www.mychild.gov.au) website to include vacancy information for two additional age groups, permanent and casual vacancies, enhanced search capabilities, improved navigation, usability and accessibility, and a funded kindergarten program indicator for Victorian long day care services. These enhancements help to ensure that the department's Child Care Access Hotline operators have access to the latest information when they are answering queries from the public.
- The first of 38 Children and Family Centres funded through the National Partnership Agreement on Indigenous Early Childhood Development was officially opened at West Belconnen in Canberra in May 2011.

### ***First of 38 Children and Family Centres opened at West Belconnen, Canberra***

In May 2011, a new centre for children and families funded through the National Partnership Agreement on Indigenous Early Childhood Development opened in Canberra.

The West Belconnen Child and Family Centre offers a range of services to families to support their children's health, learning and development, with a particular focus on Aboriginal and Torres Strait Islander families with children from birth to eight years old. The centre offers access to early learning activities, play groups and parenting courses, as well as other child and family services such as maternal and child health and allied health services. The centre supports access to appropriate child care services in the area.

Trained professionals are available at the centre to assist families with questions about parenting, health, education and child development. Ongoing support from a child and family worker is also available when needed. The centre works closely with local primary schools, providing a range of outreach services that tackle issues which may impede children's learning.

The West Belconnen Child and Family Centre is the product of partnerships between the Australian Government, the ACT Government and the local community. Working through these partnerships, the centre is making a real difference to the lives of Aboriginal and Torres Strait Islander children and their families by setting children on the path to ongoing success in school and later life.

Through the National Partnership Agreement on Indigenous Early Childhood Development, the Australian Government is providing \$292.62 million in funding to establish a total of 38 Children and Family Centres across Australia by June 2014. The West Belconnen centre is the first to be opened and fully operational.



**The Minister for Early Childhood, the Hon Peter Garrett AM MP, with a family at the opening of the multipurpose children and family centre in West Belconnen on 2 May 2011.**

## **Program 1.1 Support for the child care system**

The objective of this program is to support child care services so that more families can access quality early childhood education and child care services. The program helps families to participate in the social and economic life of the community by:

- promoting and supporting quality child care
- assisting services to improve access and inclusion for children and families with special or additional needs
- providing professional support to build the capacity of the child care sector
- supporting the sustainability of child care for all Australian children and families including in areas and under circumstances where services may not otherwise be available
- developing, maintaining and disseminating information to assist families to make informed decisions about child care and the related support programs and services provided or funded by the Government.

### **Child care services support**

Sustainability Assistance is aimed at improving and supporting access to child care services for families in areas where the provision of child care may not otherwise be financially viable.

Establishment Assistance provides set-up assistance—a payment aimed at improving access to child care in areas of need determined by the department, especially in regional and remote areas. Set-up assistance is only available for new Child Care Benefit approved child care services in their first year of operation.

Budget Based Funding provides operational funding to support the delivery of non-mainstream early childhood education and care services in locations where the market would otherwise fail to deliver child care or would have difficulty delivering culturally competent programs for Aboriginal and Torres Strait Islander families and children.

Additional funding from 2010–11 is enabling centre-based Budget Based Funded early childhood services to move towards meeting standards identified under the National Quality Framework. The funding is targeted at improving the facilities these services operate from, the qualifications of staff working in these services, and their governance and administrative capacity.

The support for the child care system program will also provide funding to complete 38 early learning and care centres funded in the 2008–09 Budget.

Sustainability Assistance and Establishment Assistance are demand-driven programs. A count of the same service types eligible for Sustainability Assistance indicates that 243 additional services were eligible for Sustainability Assistance in 2010–11, compared to 2009–10.

The number of Budget Based Funded services has not substantially changed. One service is temporarily closed pending appointment of a new provider, two services have merged and three services have been approved for the purposes of administering the Child Care Benefit.

### ***Jobs Education and Training Child Care Fee Assistance***

Jobs Education and Training Child Care Fee Assistance (JETCCFA) provides eligible parents with additional help with the cost of approved child care while they are working, studying or job searching to help them to enter or re-enter the workforce. JETCCFA is paid to an approved child care service on behalf of a family to offset the family's child care fees.

In 2010–11, the Australian Government expended \$65.3 million on JETCCFA.

From 1 July 2008, eligibility for JETCCFA was extended from 12 months of study to 24 months, regardless of the course duration. This change enables parents to choose to receive the additional support at the time that is best for them. Where parents are undertaking a course part-time, funding can be extended to the part-time equivalent of the full-time duration. This extension is directed at parents improving their skills through education and training, providing opportunities for sustained employment.

## Key performance indicators

**Table 1** Key performance indicators for program 1.1

Performance indicator	Estimate	Actual
Child care services support		
Number of child care services receiving Sustainability Assistance	1200	2275 <sup>a</sup>
Number of child care services receiving Establishment Assistance	250	243
Number of Budget Based Funded services	344	339
Jobs Education and Training Child Care Fee Assistance		
Number of children in child care	45 000	43 600
Number of parents assisted	30 000	28 600

## Effectiveness indicators

**Table 2** Effectiveness indicators for program 1.1

Performance indicator	Estimate	Actual
Trend in the number of children with additional needs using government-approved child care services—by target group:		
▪ Children with disability	3%	3%
▪ Aboriginal, Torres Strait and Australian South Sea Islander children	2%	2%
▪ Children from non-English speaking backgrounds	13%	14%

The proportion of children from a non-English speaking background increased from 13 per cent in 2008–09 to 14 per cent in 2010–11. This is not a substantial change and is in line with normal variations in the population.

## Program 1.2 Child care fee assistance

The objective of this program is to assist families with the cost of child care. The provision of this assistance enables more families to access quality child care services.

### Child Care Benefit

The Child Care Benefit is based on a family's income so that it is targeted to people most in need of additional financial assistance. Most families using approved child care receive the subsidy as a fee reduction at the time they pay their fees. Some receive it as a lump sum at the end of the year.

### Child Care Rebate

The Child Care Rebate is an additional payment to assist families with up to 50 per cent of out-of-pocket costs and is not income-tested. Working families who use approved child care can receive the Child Care Rebate if they are eligible for Child Care Benefit, even if their Child Care Benefit entitlement is zero because of their income.

Actual expenditure for the Child Care Benefit and Child Care Rebate in 2010–11 was \$3.77 billion.

## Key performance indicators

**Table 3** Key performance indicators for program 1.2

Performance indicator	Estimate	Actual
Child Care Benefit		
Number of children using approved child care places	1 172 000	1 210 000
Number of eligible approved services	14 100	14 300

<sup>a</sup> This indicator includes family day care and in-home care schemes eligible for Sustainability Assistance. This is a more comprehensive measure of services assisted.

Performance indicator	Estimate	Actual
Number of eligible families using approved child care services—full year	820 000	841 000
Percentage of families using approved child care services and receiving Child Care Benefit	80%	76%
Percentage of families claiming maximum rate Child Care Benefit	33%	36%
<b>Child Care Rebate</b>		
Number of families receiving CCR	714 000	745 000

Note: The actual figures are a revised estimate for 2010–11 using the actual data for the first two quarters as no further data is available at the time of preparing the annual report.

Source: DEEWR and Centrelink administrative data collections.

### Effectiveness indicator

**Table 4 Effectiveness indicator for program 1.2**

Performance indicator	Estimate	Actual
Percentage of child care out-of-pocket expenses as a proportion of weekly disposable income after child care subsidies	8–12%	7–8%

The percentage of child care out-of-pocket expenses as a proportion of weekly disposable income for one child using full-time long day care continues to be at the low end of the estimate. The large improvement in affordability in 2008–09 that was achieved through the increase in the Child Care Rebate to 50 per cent was further supported by changes to the tax thresholds and rates in 2009–10 that produced increases in disposable income for some families.

### Program 1.3 Early childhood education

The objectives of this program are to improve access to quality early childhood education and child care, to support optimal child development in the early years and to prepare children for formal schooling.

#### Universal access to early childhood education

The 2011 *Report on government services* reported the percentage of all children enrolled in state and territory government funded and/or provided services in 2009–10 (68.4 per cent) and 2008–09 (69.5 per cent). The majority of the data for 2009–10 was collected in August 2009, which was shortly after the first funds under the National Partnership Agreement on Early Childhood Education began flowing to states and territories. The 2009–10 results may reflect more accurate information becoming available in some jurisdictions.

The impact of the national partnership on preschool participation will not be fully realised until 2013. States and territories are undertaking a range of actions to achieve universal access to early childhood education in 2013, including increasing hours at existing services, reducing the cost where it is a barrier to participation, building and refurbishing infrastructure, and attracting and developing staff.

The percentages of preschool participation rates for all children and Aboriginal and Torres Strait Islander children are not strictly comparable as they are sourced from different collections.

#### Effectiveness indicators

**Table 5 Effectiveness indicators for program 1.3<sup>b</sup>**

Performance indicator	Estimate	Actual
<b>Universal access to early childhood education (national partnership)</b>		
Percentage of preschool participation rates for all children <sup>c</sup>	75%	68.4%
Percentage of Indigenous children preschool participation rates <sup>d</sup>	66%	66.7%

<sup>b</sup> The figures in this table are based on data collected in 2009, which is the latest available information.

<sup>c</sup> Source: *Report on government services 2011*. Please see this publication for further details and caveats.

## Departmental outputs for Outcome 1

DEEWR's bilateral management arrangement with Centrelink and the Department of Human Services provides a framework for all three agencies to deliver outcomes, including payments, in relation to employment, education and child care. The arrangement contains a confidence framework to monitor the strength and success of the relationship between agencies and assure the parties that policy and program outcomes are being achieved. Centrelink's performance against the confidence framework in relation to its service delivery responsibilities for child care was satisfactory during 2010–11.

The results of the annual reconciliation of Child Care Benefit payments met DEEWR's expectations, with over 700 000 reconciliations completed.

**Table 6** Departmental outputs performance information

Performance indicator	Estimate	Actual
<i>Program management</i>		
Services provided by Australian Government agencies (including Centrelink) satisfy performance requirements	DEEWR requirements met	Centrelink met the agreed standards as stated in the bilateral management arrangement

---

<sup>d</sup> Source: DEEWR estimate based on 2010 National Preschool Census (released 2011) and ABS cat no. 3238.0, Experimental Estimates and Projections, Aboriginal and Torres Strait Islander Australians, 1991 to 2021, special request. The ABS advises caution in the use of single year of age Indigenous population projection data when calculating indicators such as rates, due to the inherent uncertainty in single year of age estimates as a result of quality issues associated with the source data assumptions used to derive estimates, and issues associated with modelling small numbers. Despite this, the ABS recommends that the Indigenous population projections are the best source of data for calculating and reporting Indigenous preschool enrolment rates, including by remoteness.