

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

Outcome 1 strategy

In this Budget, the Australian Government continues to invest significantly in early childhood development and education and child care assistance, to deliver better access to affordable and high quality early childhood education and care for Australian families.

In April 2013, the Council of Australian Governments (COAG) agreed to a new National Partnership Agreement on Early Childhood Education (NPA ECE), which is consistent with all governments' ongoing commitment to Universal Access to early childhood education, including for vulnerable, disadvantaged and Indigenous children.

Quality early childhood education and care is dependent on having a qualified and professional workforce. The Early Years Quality Fund (EYQF) will help support the implementation of the National Quality Framework (NQF) that requires early childhood education services to employ staff with higher education qualifications by 2014. From July 2013, grants under the EYQF will be provided to eligible long day care services in order to offset the cost of employing a higher qualified workforce and ensure quality education and care.

With changing work patterns, families need more choice when it comes to child care so they can make the decision that works best for them. The Child Care Flexibility Trials involve the Australian Government partnering with key child care stakeholders, including service providers and employee representatives to trial a series of flexible and innovative projects which aim to enhance the capacity of the child care sector to better meet the needs of modern families.

The continued investment in the Jobs, Education and Training Child Care Fee Assistance (JETCCFA) will assist eligible parents to receive the training and skills they need to enter or return to the workforce.

To support investments in new structural spending, the Australian Government will maintain the annual cap on Child Care Rebate (CCR) at \$7,500 until 2016–17. The average CCR payment is currently well below the cap of \$7,500 and the measure will impact only a small proportion of families.

All of these measures build on the Government's early childhood education and care reform agenda. COAG agreed in 2009 to the National Early Childhood Development (ECD) Strategy with the vision that by 2020 all children have the best start in life to create a better future for them and for the nation.

The strategy helps all levels of government build a more effective and better coordinated national early childhood development system, and identifies the early childhood development outcomes that all governments are seeking to achieve for children. In particular, the strategy focuses support for programs that are aimed at alleviating disadvantage during the early years of life as there is strong evidence that investment in the early years achieves a higher return than remedial interventions later in life. Even for children that are not disadvantaged, high quality early childhood experiences have a positive effect on a child's development, transition to school and outcomes in later life.

Together with Universal Access to early childhood education, the National Quality Agenda for Early Childhood Education and Care is delivering significant reform under the strategy. The Agenda ensures national consistency in early childhood education and child care services. The National Quality Framework commenced on 1 January 2012, with key requirements such as qualification and educator to child ratios continuing to be phased in to 2020. The Framework improves staff to child ratios; introduces new staff qualification requirements; and establishes a quality rating system. The Australian Children's Education and Care Quality Authority (ACECQA) was established to guide and monitor implementation. The publishing of ratings under the national quality assessment and rating system has been designed to provide clear and accurate information for families on the quality of education and care services to support them to make informed choices about the care of their child will commence in 2013.

Data from the second national Australian Early Development Index (AEDI) collection was released in April 2013, and shows a significant improvement in the proportion of Australian children developmentally vulnerable. This data, providing a snapshot of how children across Australia are developing prior to reaching school, builds on the information already available from the 2009 collection. The availability of two national AEDI datasets helps governments at all levels and community organisations monitor progress and inform early childhood policy and planning right across education, health and community services.

The Home Interaction Program for Parents and Youngsters (HIPPY) is a two-year, home-based parenting and early childhood enrichment program targeted to disadvantaged communities. The Government investment of over \$100 million since its introduction, will support ongoing program delivery in 50 mainstream locations and expansion to an additional 50 locations, with an emphasis on Aboriginal and Torres Strait Islander communities. From 2015, HIPPY will operate in 100 locations across Australia, targeting around 2,250 children (aged four years) each year.

The Government is committed to lifting the quality of centre-based Budget Based Funded (BBF) early childhood services. BBF early childhood education and care and school age care services are funded by the Australian Government in approved locations where the market would not normally allow services to operate or where there is a need for culturally appropriate services. These

services predominantly operate in rural, remote and Indigenous communities. A review of the BBF Program is currently underway and the Government will use the results to inform the future directions of the program so as to ensure the program is well targeted to contemporary needs, and delivers the best quality early education and child care services and outcomes for families, children and communities.

The department continues to progress other key COAG commitments that support the National Early Childhood Development (ECD) Strategy. This includes the National Partnership Agreement on Early Childhood Education, which supports the Government's commitment to Universal Access to early learning for all children in the year before formal schooling and the establishment of Children and Family Centres through the National Partnership Agreement on Indigenous ECD.

The Government is committed to supporting, training and retaining experienced and qualified early childhood educators. A well trained early childhood workforce is essential in delivering high quality early childhood services and achieving the best outcomes for children. The department is continuing to manage a range of initiatives such as improving access to Recognition of Prior Learning, removing TAFE fees for approved early childhood qualifications and reducing university HELP debts for early childhood teachers.

Table 2.1A Budgeted expenses and resources for Outcome 1

	2012-13 Estimated actual expenses \$'000	2013-14 Estimated expenses \$'000
Outcome 1: Improve 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 workforce.		
Program 1.1: Support for the Child Care System		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	504,822	426,573
Total for Program 1.1	504,822	426,573
Program 1.2: Child Care Fee Assistance		
Administered expenses		
Special appropriations	4,661,007	5,048,234
Total for Program 1.2	4,661,007	5,048,234
Program 1.3: Early Childhood Education		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	3,000	3,000
Total for Program 1.3	3,000	3,000
Outcome 1 Totals by appropriation type		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	507,822	429,573
Special appropriations	4,661,007	5,048,234
Departmental expenses		
Departmental appropriation ¹	80,783	79,576
Special appropriations	-	-
Special Accounts	-	-
Expenses not requiring appropriation in the Budget year ²	216	216
Total expenses for Outcome 1	5,249,828	5,557,599
	2012-13	2013-14
Average Staffing Level (number)	521	520

¹ Departmental Appropriation combines "Ordinary annual services (Appropriation Bill No. 1)" and "Revenue from independent sources (s31)".

² Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense, Makegood Expense, Audit Fees.

Program 1.1 Support for the Child Care System

Program objective

To support child care services so that more families can access quality early childhood education and childcare services. This program helps families to participate in the social and economic life of the community as it:

- promotes and supports quality child care
- assists services to improve access and inclusion for children and families with special and/or additional needs
- provides professional support to build the capacity of the child care sector
- supports the sustainability of child care for all Australian children and families including in areas and/or under circumstances where services would not otherwise be available
- develops, maintains and disseminates information to assist families to make informed decisions about child care and the related support programs and services provided or funded by the Government
- improves flexibility and accessibility of child care services to be more responsive to the needs of families.

Additional funding provided to centre-based Budget Based Funded early childhood services is making a significant start towards helping these services meet the new National Quality Standards. The funding, which commenced from 2010–11, 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 program provides funding to complete 38 priority early learning and care centres funded in the 2008–09 Budget.

The effectiveness indicators provide details on the trend in the number of children with additional needs using government approved child care services. This is seen as a good measure of the overall effectiveness of access to quality child care and early learning services, as families with children from the target groups identified often find it more difficult to access child care that is appropriate to their special needs.

The National Quality Framework is a COAG initiative that is operationalised under a National Partnership (NP) using Treasury funding. The NP sets out indicators that ACECQA is required to provide reports against. The department has no ongoing indicators for the National Quality Framework that need to be reported.

Administered items

- Child Care Services Support – the main sub-elements of this administered item include:

- community support – delivers improved access to child care through support for establishment of new services and maintenance of services, especially in areas where the market would otherwise fail to provide child care services
 - child care quality support – aims to ensure that children in care have stimulating, positive experiences and interactions that will foster all aspects of their development and promote quality care for all children in approved Australian child care services
 - inclusion and professional support – promotes and maintains high quality care and inclusion for all children in eligible child care services, by increasing the capacity of the service and the skill level of carers and educators through the provision of professional development and inclusion support
 - program support – supports the development, maintenance and dissemination of information to assist families to make informed decisions about child care and the related support programs and services provided or funded by the Government. A range of products and services are funded to assist parents and service providers, including the Australian Early Development Index and the Home Interaction Program for Parents and Youngsters
 - Child Care Innovation Initiatives – recognises that the current operating model for child care is not always compatible with the changing dynamics of the Australian workforce and the needs of families. The Child Care Flexibility Fund involves the Government partnering with key child care stakeholders, including service providers and employee representatives to trial a range of flexible child care projects.
- Jobs, Education and Training Child Care Fee Assistance (JETCCFA) – provides eligible parents who are income support recipients with extra financial assistance to help with the cost of approved child care while undertaking activities such as job search, work, study or training to help them to enter or return to the workforce. The Government is significantly investing in JETCCFA to help more parents receive the training and skills they need to enter or return to the workforce.
 - Early Years Quality Fund (EYQF) – helps support the implementation of the National Quality Framework by providing grants to approved long day care services, to boost quality outcomes for children in early childhood education services, including by meeting the educator qualification requirements commencing in 2014. Funding will be provided over two years. The department will receive administered funding through a special appropriation on passage of legislation.

Table 2.1.1 Administered expenses for Program 1.1

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forw ard year 1 \$'000	2015-16 Forw ard year 2 \$'000	2016-17 Forw ard year 3 \$'000
Annual administered expenses:					
Child Care Services Support	393,922	343,632	369,707	361,513	369,345
Jobs, Education and Training Child Care					
Fee Assistance (JETCCFA)	110,900	82,941	110,147	135,450	139,151
Total program expenses	504,822	426,573	479,854	496,963	508,496

Linked to: Department of Human Services, Program 1.1 Services to the Community.

Table 2.1.1A Program 1.1 deliverables and key performance indicators

Deliverables	2012–13 Revised budget	2013–14 Budget	2014–15	2015–16	2016–17
Child Care Services Support					
Number of child care services receiving sustainability assistance	2,300	2,300	2,300	2,300	2,300
Number of child care services receiving establishment assistance	250	250	250	250	250
Number of Budget Based Funded Services	342	344	344	344	344
Jobs, Education and Training Child Care Fee Assistance					
Number of children in child care	48,500	53,900	58,800	63,700	68,800
Number of parents assisted	30,400	36,900	40,300	43,600	47,100

Key performance indicators	2012–13 Revised budget	2013–14 Budget	2014–15	2015–16	2016–17
Trend in the number of children with additional needs using government approved child care services—by target group					
• Children with disability	3%	3%	3%	3%	3%
• Aboriginal, Torres Strait Islander and Australian South Sea Islander children	2%	2%	2%	2%	2%
• Children from non-English backgrounds	13%	13%	13%	13%	13%

Program 1.2 Child Care Fee Assistance

Program objective

To assist low income families with the cost of child care. The provision of this assistance means more families are able to access quality child care services.

The effectiveness indicator provides details on the child care out-of-pocket expenses as a proportion of weekly disposable income after child care subsidies. This is seen as a good measure of overall affordability of access to quality services that support early childhood learning and care.

Administered items

Child Care Benefit (CCB) – assists parents with the cost of approved and registered child care. The payment of CCB varies depending on family income, the number of children in care, the hours of care, and the type of child care used. Low income families receive the highest rate of CCB.

Child Care Rebate (CCR) – covers families for 50 per cent of their out-of-pocket approved child care expenses after CCB has been received, up to an annual maximum of \$7,500 per child. This assistance helps eligible working parents with the cost of child care, if they are using approved child care for work-related reasons.

Table 2.1.2 Administered expenses for Program 1.2

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forw ard year 1 \$'000	2015-16 Forw ard year 2 \$'000	2016-17 Forw ard year 3 \$'000
Special Appropriations:					
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>					
Child Care Benefit	2,529,842	2,636,064	2,712,938	2,791,705	2,875,552
Child Care Rebate	2,131,165	2,412,170	2,660,027	2,880,971	3,106,061
Total program expenses	4,661,007	5,048,234	5,372,965	5,672,676	5,981,613

Linked to: Department of Human Services, Program 1.1 Services to the Community and to the Department of Families, Housing, Community Services and Indigenous Affairs, Program 1.2 Family Tax Benefit.

Table 2.1.2A Program 1.2 deliverables and key performance indicators

Deliverables	2012–13 Revised budget	2013–14 Budget	2014–15	2015–16	2016–17
Child Care Benefit					
Number of children using approved child care places	1,321,000	1,345,000	1,355,000	1,366,000	1,379,000
Number of families using approved child care services	941,000	942,000	949,000	957,000	966,000
Number of families using approved child care services and receiving a child care payment (percentage of families who use care and receive a payment)	918,000 (98%)	923,000 (98%)	930,000 (98%)	938,000 (98%)	946,000 (98%)
Number of families receiving both CCB and CCR	659,000	652,000	657,000	662,000	668,000
Number of families receiving only CCB	121,000	92,000	93,000	94,000	95,000
Number of families receiving only CCR	138,000	179,000	180,000	182,000	184,000
Number of eligible approved services	16,200	16,400	16,500	16,700	16,800

Key performance indicators	2012–13 Revised budget	2013–14 Budget	2014–15	2015–16	2016–17
Percentage of child care out-of-pocket expenses as a proportion of weekly disposable income after child care subsidies	8 to 12%	8 to 12%	8 to 12%	8 to 12%	8 to 12%

Program 1.3 Early Childhood Education

Program objective

To improve access to high quality early childhood education and child care, to support optimal child development in the early years and prepare children for formal schooling.¹

To achieve these goals a number of National Partnership Agreements have been entered into:

¹ Funding is provided in the 2013 calendar year to support the participation of Aboriginal and Torres Strait Islander children in preschool under the *Indigenous Education (Targeted Assistance) Act 2000* and reported under Outcome 2.2.

- The National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care – established a National Quality Framework for early childhood education and care. The National Quality Framework, which commenced on 1 January 2012 for long day care, family day care, outside school hours care and preschools, aims to raise quality and drive continuous improvement and consistency in education and care services and school age care. The Framework sets a new national benchmark for the quality of education and care services. It includes an assessment and rating system that has been designed to provide clear and accurate information for families on the quality of education and care services to support them make informed choices about the care of their child.
- The National Partnership Agreement on Early Childhood Education was established to ensure that by 2013 every child was able to access a preschool program in the 12 months prior to full-time schooling. The preschool program is to be delivered by a four year university qualified early childhood teacher, in accordance with a national early years learning framework, for 15 hours a week, 40 weeks a year. It will be accessible across a diversity of settings, in a form that meets the needs of parents and in a manner that ensures cost does not present a barrier to access. In April 2013, COAG agreed to a new National Partnership Agreement on Early Childhood Education (NPA ECE). The new NPA ECE will contribute \$655.6 million in Commonwealth funding over 18 months and will ensure uninterrupted service delivery in 2013 and 2014, consistent with all governments' ongoing commitment to Universal Access to early childhood education, including for vulnerable, disadvantaged and Indigenous children.
- Children and Family Centres – as part of the National Partnership Agreement on Indigenous Early Childhood Development, 38 Children and Family Centres have been announced and will be established across Australia by June 2014. These will deliver integrated services that offer early learning, child care and family support programs. Children and Family Centres are targeted at addressing the needs of Aboriginal and Torres Strait Islander families and their young children and will also provide services to all families in the community.
- The National Partnership Agreement on TAFE Fee Waivers for Child Care Qualifications – supports individuals, including existing child care workers, to gain a vocational education and training qualification in early childhood care. This funding removes the regulated course fees for diplomas and advanced diplomas in Children's Services, delivered by a TAFE institute or other government training provider.

The Government is working in partnership with the states and territories under COAG and through the Intergovernmental Agreement on Federal Financial Relations to ensure the effective implementation of this program, including the achievement of the outcomes. The delivery of Universal Access to early

childhood education is a state and territory responsibility and depends on Commonwealth and state and territory funding.

Administered items

Under the NPA ECE the department administers funding for research, review and data development relating to access to quality early childhood education programs.

Table 2.1.3 Administered expenses for Program 1.3

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 For ward year 1 \$'000	2015-16 For ward year 2 \$'000	2016-17 For ward year 3 \$'000
Annual administered expenses:					
Early Childhood Education - Universal Access	3,000	3,000	1,500	-	-
Total program expenses	3,000	3,000	1,500	-	-

Linked to: Department of the Treasury, Program 1.10 National Partnership Payments to the States

Table 2.1.3A Program 1.3 key performance indicators

Key performance indicators	2012–13 Revised budget	2013–14 Budget	2014–15	2015–16	2016–17
Universal Access to Early Childhood Education (NP)					
Percentage of all children enrolled in preschool	95%	95%	95%	-	-
Percentage of Indigenous children enrolled in preschool	95%	95%	95%	-	-
Percentage of Indigenous children enrolled in preschool in remote areas ²	95%	95%	95%	-	-
Percentage of children enrolled in an early childhood education program that is available for at least 15 hours a week	95%	95%	95%	-	-

² The ABS advises caution in the use of single year of age Aboriginal and Torres Strait Islander 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 modeling small numbers. Nevertheless, the ABS recommends that the Aboriginal and Torres Strait Islander population projections are the best current source of data for calculating and reporting Aboriginal and Torres Strait Islander preschool enrolment rates, including by remoteness.

Outcome 1 Departmental outputs
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Table 2.1B Performance information for Outcome 1 departmental outputs

Performance indicator	2013–14 estimate
<i>Program management</i>	
Services provided by Australian Government agencies (e.g. Centrelink) satisfy performance requirements	DEEWR requirements met