

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs which contribute to Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs, specifying the performance indicators and targets used to assess and monitor the performance of the department in achieving Government outcomes.

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 Government is making a significant investment in child care assistance over the next four years to help parents get the training and skills they need to enter or re-enter the workforce. Jobs, Education and Training Child Care Fee Assistance (JETCCFA) provides assistance with child care fees for parents on income support, mostly sole parents, while they are studying or training to get the skills they need to help them find a job. The JETCCFA program will be better aligned with the Government's jobs policy and skills agendas and help improve employment outcomes for parents.

Access to early literacy and numeracy programs will be improved with the extension of the Home Interaction Program for Parents and Youngsters (HIPPY), which is a two-year, home-based parenting and early childhood enrichment program targeted to disadvantaged communities. An additional fifty sites are to be rolled out in Indigenous communities in remote regions. As a result, around 750 children from the remote Indigenous sites will enrol in HIPPY in 2014. HIPPY will also be extended to an additional cohort of children in the existing 50 locations. As a result of this additional cohort, around 1700 children will enrol in HIPPY in 2013.

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All of these new measures build on the Government's early childhood education and care agenda. There is strong evidence that programs aimed at alleviating disadvantage during the early years of life are more effective in improving outcomes for the child and achieving higher returns on investment than remedial interventions later in life. Even for children who 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.

In July 2009, the Council of Australian Governments (COAG) agreed to a 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 themselves and for the nation.

The strategy will help 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. These are:

- children are born and remain healthy
- children's environments are nurturing, culturally appropriate and safe
- children have the knowledge and skills for life and learning
- children benefit from better social inclusion and reduced disadvantage, especially Indigenous children
- children are engaged in and benefiting from educational opportunities
- families are confident and have the capabilities to support their children's development
- quality early childhood development services that support workforce participation choices for families.

The Government is continuing to work with state and territory governments on implementing the strategy.

Together with universal access to early childhood education, the National Quality Agenda for Early Childhood Education and Care is the first major tranche of reform under the strategy. The Agenda will ensure national consistency in early childhood education and child care services. The new National Quality Framework will: improve staff to child ratios; introduce new staff qualification requirements; and establish a quality rating system. A new national body, the Australian Children's Education and Care Quality Authority (ACECQA), will guide and monitor implementation. Transition to the new system began on 1 July 2010, with full implementation to occur from 1 January 2012 until 2020.

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Data from the second national Australian Early Development Index (AEDI) collection will be available in 2013. This data, providing a snapshot of how children across Australia are developing prior to reaching school, will build on the information already available from the 2009 collection. The availability of two national AEDI datasets will help governments (at all three tiers) and community organisations monitor progress and inform early childhood policy and planning right across education, health and community services.

The Government is committed to lifting the quality of centre-based Budget Based Funded early childhood services. Budget Based Funded early childhood services are funded by the Australian Government to provide child care and early learning opportunities where the market would otherwise fail to deliver child care. These services predominantly operate in rural, remote and Aboriginal and Torres Strait Islander communities.

The department is also continuing to progress other key COAG commitments that underpin the National ECD Strategy, including the National Partnership Agreement on Early Childhood Education, which underpins 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

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.	2011-12 Estimated actual expenses \$'000	2012-13 Estimated expenses \$'000
Program 1.1: Support for the Child Care System		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	414,601	427,231
Total for Program 1.1	414,601	427,231
Program 1.2: Child Care Fee Assistance		
Administered expenses		
Special appropriations	4,178,515	4,437,338
Total for Program 1.2	4,178,515	4,437,338
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)	417,601	430,231
Special appropriations	4,178,515	4,437,338
Departmental expenses		
Departmental appropriation ¹	87,720	84,957
Expenses not requiring appropriation in the Budget year ²	12,355	12,643
Total expenses for Outcome 1	4,696,191	4,965,169
	2011-12	2012-13
Average Staffing Level (number)	461	421

¹ Departmental Appropriation combines "Ordinary annual services (Appropriation Bills No. 1 & 3)" 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, and Audit Fees.

Contributions to Outcome 1

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

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- 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.

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

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- 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.
- Jobs, Education and Training Child Care Fee Assistance (JETCCFA)—provides eligible parents with extra financial assistance to help with the cost of approved child care while undertaking activities such as job search, work, study, training or rehabilitation to help them to enter or re-enter the workforce. The significant investment the Government is making in JETCCFA over the next four years will assist around 130 000 parents across the country to enter the workforce and provide for their families. The program will be better aligned with the Government’s jobs policy and skills agendas as well as helping to improve employment outcomes for parents.

Table 2.1.1 Administered expenses for Program 1.1

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forw ard year 1 \$'000	2014-15 Forw ard year 2 \$'000	2015-16 Forw ard year 3 \$'000
Annual administered expenses:					
Child Care Services Support	326,526	345,312	340,221	362,177	353,424
Jobs Education and Training Child Care Fee Assistance (JETCCFA)	88,075	81,919	78,980	104,677	128,768
Total program expenses	414,601	427,231	419,201	466,854	482,192

Program 1.1 deliverables

	Revised budget 2011–12	Budget 2012–13	2013–14	2014–15	2015–16
Child Care Services Support					
Number of child care services receiving sustainability assistance	2300	2300	2300	2300	2300
Number of child care services receiving establishment assistance	250	250	250	250	250
Number of Budget Based Funded Services	344	344	344	344	344
Jobs, Education and Training Child Care Fee Assistance					
Number of children in child care	52 000	44 300	46 900	49 000	50 800
Number of parents assisted	35 600	30 400	32 100	33 600	34 800

Program 1.1 key performance indicators

	Revised budget 2011–12	Budget 2012–13	2013–14	2014–15	2015–16
Growth 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 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 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 \$7500 per child. This assistance will help eligible working parents with the cost of child care, if they are using approved child care for work-related reasons.

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Table 2.1.2 Administered expenses Program 1.2

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forw ard year 1 \$'000	2014-15 Forw ard year 2 \$'000	2015-16 Forw ard year 3 \$'000
Special Appropriations:					
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>					
Child Care Benefit	2,342,852	2,444,197	2,555,561	2,632,024	2,707,810
Child Care Rebate	1,835,663	1,993,141	2,246,648	2,541,409	2,804,516
Total program expenses	4,178,515	4,437,338	4,802,209	5,173,433	5,512,326

Program 1.2 deliverables

	Revised budget 2011–12	Budget 2012–13	2013–14	2014–15	2015–16
Child Care Benefit					
Number of children using approved child care places	1 303 000	1 321 000	1 322 000	1 339 000	1 347 000
Number of families using approved child care services	929 000	941 000	948 000	951 000	956 000
Number of families using approved child care services and receiving a child care payment (percentage of families who use care and receive a payment)	906 000 (98%)	918 000 (98%)	925 000 (98%)	928 000 (98%)	933 000 (98%)
Number of families receiving both Child Care Benefit and Child Care Rebate	651 000	659 000	663 000	661 000	657 000
Number of families receiving only Child Care Benefit	121 000	121 000	120 000	119 000	118 000
Number of families receiving only Child Care Rebate	134 000	138 000	142 000	148 000	157 000
Number of eligible approved services	16 000	16 200	16 400	16 500	16 600

Program 1.2 key performance indicators

Percentage of child care out-of-pocket expenses as a proportion of weekly disposable income after child care subsidies	8 to 12%				
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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:

- The National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care—will establish a National Quality Framework for early childhood education and care and Outside School Hours Care services. The Framework, which commenced on 1 January 2012, will also facilitate the provision to families of quality information to help them make informed choices about services.
- The National Partnership Agreement on Early Childhood Education—aims that by 2013 every child will have access to 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.
- 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.

1 The Indigenous Education Program funding of \$11 million per calendar year for preschools under the *Indigenous Education (Targeted Assistance) Act 2000* will provide assistance to early education providers to ensure access for Aboriginal and Torres Strait Islander children. This program is reported under Outcome 2.

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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 the universal access to early childhood education is a state and territory responsibility and depends on Commonwealth and state and territory funding.

Linked to: Treasury's Specific Purpose Payments (SPPs)—refer to Budget Paper 3 (Australia's Federal Relations), which includes SPP arrangements with the states and territories.

Administered items

Total Commonwealth funding for universal access to early childhood education (\$970 million over five years to 30 June 2013) is allocated in accordance with the National Partnership Agreement on Early Childhood Education (NP ECE). Of this funding, \$15 million is for research, evaluation and data development which aims to inform the implementation of universal access to early childhood education program (see table 2.1.3).

Table 2.1.3 Administered expenses for Program 1.3

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forw ard year 1 \$'000	2014-15 Forw ard year 2 \$'000	2015-16 Forw ard year 3 \$'000
Annual administered expenses:					
Early Childhood Education - Universal Access	3,000	3,000	-	-	-
Total program expenses	3,000	3,000	-	-	-

Program 1.3 key performance indicators

	Revised budget 2011–12	Budget 2012–13	2013–14	2014–15	2015–16
Universal access to Early Childhood Education (NP ECE)					
Percentage of all children enrolled in preschool	83%	95%	95%	95%	95%
Percentage of Indigenous children enrolled in preschool	78%	95%	95%	95%	95%
Percentage of Indigenous children enrolled in preschool in remote areas ²	91%	95%	95%	95%	95%
Percentage of children enrolled in an early childhood education program that is available for at least 15 hours a week ³	–	95%	95%	95%	95%

Outcome 1 Departmental outputs

Table 2.1B Performance information for Outcome 1 departmental outputs

Performance indicator	2012–13 estimate
<i>Program management</i>	
Services provided by Australian Government agencies (e.g. Centrelink) satisfy performance requirements	DEEWR requirements met

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.

³ New key performance indicator introduced in response to the ANAO report *Administration of the National Partnership on Early Childhood Education*, November 2011.

Glossary & Acronyms