



Australian Government

GOVERNMENT RESPONSE TO THE REPORT BY THE INQUIRY INTO SENATE EDUCATION AND EMPLOYMENT REFERENCES COMMITTEE:

‘Delivery of quality and affordable early childhood education and care services’

OCTOBER 2014

Preamble

The Australian Government welcomes the opportunity to respond to the report of the Senate Education and Employment References Committee, 'Delivery of quality and affordable early childhood education and care services'.

On 12 December 2013, the Senate referred the inquiry into delivery of quality and affordable early childhood education to the committee for inquiry and report by 17 June 2014 (upon application the Senate granted an extension for the reports until 16 July 2014). The committee agreed that submissions should be received by 14 March 2014.

The inquiry's terms of reference focus on the delivery of quality and affordable early childhood education and care services, including:

- a) outcomes for children in early childhood education and care services, including:
 - i. workforce factors such as stability, qualifications and wage rates
 - ii. quality regulation (including staff-to-child ratios)
 - iii. participation and access to services
 - iv. environments for learning
- b) a progress report into the implementation of the National Quality Framework (NQF), including targets met and those working toward
- c) parents' experiences of the outcomes of the NQF
- d) impacts of the announced government amendments to the NQF, and the outcomes for children and early childhood education and care services
- e) any other related matters.

The committee tabled its report in the Senate on 16 July 2014. The report contains five recommendations, with a further three recommendations from the Australian Greens (Senator Sarah Hanson-Young) and three recommendations from Senator Nick Xenophon.

The Government is committed to establishing a sustainable future for a more flexible, affordable and accessible child care and early childhood learning system that helps underpin the national economy and supports the community, especially parent's choices to participate in work or training and children's growth, welfare, learning and development.

As announced on 17 November 2013, the Government has tasked the Productivity Commission with an inquiry into child care and early childhood learning. The Commission is to report on and make recommendations about how the child care system can be made more flexible, affordable and accessible.

The Government thanks the committee and the Senators for their recommendations.

Response:

The Government notes that the committee's report and recommendations need to be considered in the context of the current Productivity Commission inquiry into future options for child care and early childhood learning, with a focus on developing a system that supports workforce participation and addresses children's learning and development needs. This inquiry is broad-ranging and the Commission's final report is due to be submitted to the Government by the end of October 2014. The Government will await that report before determining future child care and early childhood learning policies. The Government notes the committee's report and recommendations about this important area of public policy.

RESPONSE TO RECOMMENDATIONS

PART 1 - RESPONSE TO RECOMMENDATIONS FROM THE COMMITTEE

Committee Recommendation 1

The committee recommends that the government continues the implementation of the NQF in accordance with the time frames set down and agreed to by the Council of Australian Governments (COAG).

Government Response: Noted.

The previous Government and all states and territories established the National Partnership Agreement (NPA) on the National Quality Framework (NQF) for Early Childhood Education and Care. The NQF commenced progressive implementation from 1 January 2012.

The Government supports the NQF and the goal of higher quality child care and early learning, but is concerned that its implementation is causing unnecessary regulatory burden, which is passed on as cost increases for families.

Under the NPA, a review must be conducted in 2014 (2014 Review) to assess the extent to which the objectives and outcomes of the NPA have been achieved. The 2014 Review is now underway and its findings will be considered by the COAG Education Council. The scope of the review includes consideration of the NQS and the assessment and rating system.

Pending the outcome of the 2014 Review, the Government is working with the states and territories to improve aspects of the NQF implementation and reduce regulatory burden. For example, from June 2014 the process for providing supervisor certificates was streamlined and flexibilities introduced to address workforce shortages, particularly in remote and very remote areas.

The Government has also tasked the Productivity Commission to undertake a public inquiry into future options for child care and early childhood learning, with a focus on developing a system that supports workforce participation and addresses children's learning and development needs. This inquiry is broad-ranging, including consideration of the impact of the implementation of the NQF. The inquiry's final report is due to be submitted to Government by the end of October 2014. The Government will await that report before determining future child care and early childhood learning policy.

Committee Recommendation 2

The committee recommends that the government examine and undertake to provide additional resources directly to small rural and regional early childhood services to ensure they continue to meet quality standards, and attract and retain professional staff.

Government Response: Noted.

The Australian Government has in place a range of support for rural and regional early childhood services, through programmes such as the Budget Based Funded Programme, the Community Support Program and the Inclusion and Professional Support Program.

The Government's \$200 million Long Day Care (LDC) Professional Development Programme also provides additional funding for educators working in rural and remote areas. The Programme supports the professional development of educators in all LDC services and will assist those services in meeting the NQF requirements and improving practices to ensure quality outcomes for children.

The Government has also tasked the Productivity Commission to undertake a public inquiry into future options for child care and early childhood learning, with a focus on developing a system that supports workforce participation and addresses children's learning and development needs. This inquiry is broad-ranging, including consideration of families in rural, regional and remote areas. The inquiry's final report is due to be submitted to Government by the end of October 2014. The Government will await that report before determining future child care and early childhood learning policy.

Committee Recommendation 3

The committee recommends the rating system be retained.

Government Response: Noted.

The rating system is established under the NQF. In April 2014 the COAG Education Council agreed to streamline aspects of the assessment and rating process. The 2014 Review is also examining the assessment and rating system, including options to further streamline the process to reduce regulatory burden on services and Regulatory Authorities.

The Government has also tasked the Productivity Commission to undertake a public inquiry into future options for child care and early childhood learning, with a focus on developing a system that supports workforce participation and addresses children's learning and development needs. This inquiry is broad-ranging, including consideration of the impact of the implementation of the NQF. The inquiry's final report is due to be submitted to Government by the end of October 2014. The Government will await that report before determining future child care and early childhood learning policy.

Committee Recommendation 4

The committee recommends that the government reinstate the Early Years Quality Fund to assist educators in meeting the training requirements set out in the National Quality Framework.

Government Response: Not agreed.

An independent review of the Early Years Quality Fund (EYQF) confirmed the fund was fundamentally flawed, would not achieve its objectives and would benefit less than 30 per cent of long day care workers.

The Government has implemented its election commitment in relation to the EYQF by honouring funds contracted from the EYQF, but committing that remaining funds would be redirected to benefit the whole Long Day Care (LDC) sector. The \$200 million Long Day Care Professional Development Programme (LDCPDP), which replaced the EYQF, is providing an unprecedented level of funding towards the learning and development needs of educators in all long day care services.

There has been strong interest from LDC services in the LDCPDP. Most importantly all funding is allocated on an equitable basis to ensure all LDC services can receive their 'fair share'.

Committee Recommendation 5

The committee recommends that the government immediately initiate a review of low wages in the early childhood education and care sector and report on the role of government in lifting wages to a professional level in line with the skills and qualifications required of educators.

Government Response: Not agreed.

The Government does not operate child care and early learning services or employ early childhood educators or regulate educators' wages. Minimum wages are provided for through modern awards which are reviewed and

adjusted by the independent workplace umpire, the Fair Work Commission (FWC). Under the Fair Work Act employers and employees and their representatives can negotiate an Enterprise Agreement.

The FWC is currently considering two equal remuneration applications for early childhood educators. It is appropriate that these applications should proceed through that process.

PART 2 - RESPONSE TO RECOMMENDATIONS FROM THE AUSTRALIAN GREENS (SENATOR HANSON-YOUNG)

Senator Hanson-Young Recommendation 1

The Australian Greens recommend that the National Quality Framework be supported and its implementation continue as planned.

Government Response: Noted.

The previous Government and all states and territories established the National Partnership Agreement (NPA) on the National Quality Framework (NQF) for Early Childhood Education and Care. The NQF commenced progressive implementation from 1 January 2012.

The Government supports the NQF and the goal of higher quality child care and early learning, but is concerned that its implementation is causing unnecessary regulatory burden, which is passed on as cost increases for families.

Under the NPA, a review must be conducted in 2014 (2014 Review) to assess the extent to which the objectives and outcomes of the NPA have been achieved. The 2014 Review is now underway and its findings will be considered by the COAG Education Council. The scope of the review includes consideration of the NQS and the assessment and rating system.

Pending the outcome of the 2014 Review, the Government is working with the states and territories to improve aspects of the NQF implementation and reduce regulatory burden. For example, from June 2014 the process for providing supervisor certificates was streamlined and flexibilities introduced to address workforce shortages, particularly in remote and very remote areas.

The Government has also tasked the Productivity Commission to undertake a public inquiry into future options for child care and early childhood learning, with a focus on developing a system that supports workforce participation and addresses children's learning and development needs. This inquiry is broad-ranging, including consideration of the impact of the implementation of the NQF. The inquiry's final report is due to be submitted to Government by the end of October 2014. The Government will await that report before determining future child care and early childhood learning policy.

Senator Hanson-Young Recommendation 2

The Australian Greens recommend that the existing Child Care Rebate and Child Care Benefit be streamlined into one central payment, which is paid directly to centres to reduce the out-of-pocket costs to families.

Government Response: Noted.

The Government has tasked the Productivity Commission to undertake a public inquiry into future options for child care and early childhood learning, with a focus on developing a system that supports workforce participation and addresses children's learning and development needs. This inquiry is broad-ranging, including consideration of the rebates and subsidies available to parents using child care. The inquiry's final report is due to be submitted to Government by the end of October 2014. The Government will await that report before determining future child care and early childhood learning policy.

Senator Hanson-Young Recommendation 3

The Australian Greens recommend that the government urgently address the current wage crisis in the sector by providing appropriate funding through mechanisms other than Enterprise Agreements in order not to disadvantage smaller providers.

Government Response: Not Agreed.

The Government does not operate child care and early learning services or employ early childhood educators or regulate educators' wages. Minimum wages are provided for through modern awards which are reviewed and adjusted by the independent workplace umpire, the Fair Work Commission (FWC). Under the Fair Work Act employers and employees and their representatives can negotiate an Enterprise Agreement.

The FWC is currently considering two equal remuneration applications for early childhood educators. It is appropriate that these applications should proceed through that process.

PART 3 – RESPONSE TO RECOMMENDATIONS FROM SENATOR XENOPHON

Senator Xenophon Recommendation 1

That a separate rating is provided for each of the seven NQS areas assessed by ACECQA.

Government Response: Noted.

Under the NQF, services already receive a rating for each of the seven NQS areas. It is the responsibility of Regulatory Authorities in each state and territory to assess and rate services. ACECQA's role is to provide oversight and report on the implementation of the NQF including assessment and rating against the National Quality Standard (NQS).

Under the NPA, a review must be conducted in 2014 (2014 Review) to assess the extent to which the objectives and outcomes of the NPA have been achieved. The 2014 Review is now underway and its findings will be considered by the COAG Education Council.

The scope of the review includes consideration of the NQS and the assessment rating system. The Government is committed to quality under the NQF, but is concerned by reports from parents and services that implementation is causing administrative and staffing problems, which are passed on as cost increases for families.

Pending the outcome of the 2014 Review, the Government is working with the states and territories to improve aspects of the NQF implementation and reduce regulatory burden. In April 2014 the COAG Education Council agreed to streamline the assessment and rating process.

The Government has also tasked the Productivity Commission to undertake a public inquiry into future options for child care and early childhood learning, with a focus on developing a system that supports workforce participation and addresses children's learning and development needs. This inquiry is broad-ranging, including consideration of the impact of the implementation of the NQF. The inquiry's final report is due to be submitted to Government by the end of October 2014. The Government will await that report before determining future child care and early childhood learning policy.

Senator Xenophon Recommendation 2

The Government consider allocating more resources to ACECQA in order to expedite the ECEC provider assessment process.

Government Response: Noted.

Regulatory Authorities in each state and territory are responsible for the assessment and rating of services.

Senator Xenophon Recommendation 3

The Government consider and provide a prompt response to NICA's proposal for greater in-home care in Australia.

Government Response: Noted.

The Government has tasked the Productivity Commission to undertake a public inquiry into future options for child care and early childhood learning, with a focus on developing a system that supports workforce participation and addresses children's learning and development needs. This inquiry is broad-ranging and is considering the types of child care available, including but not limited to: long day care, family day care, in home care including nannies and au pairs, mobile care, occasional care and outside school hours care. The inquiry's final report is due to be submitted to Government by the end of October 2014. The Government will await that report before determining future child care and early childhood learning policy.