

**MORRISON GOVERNMENT RESPONSE TO EARLY LEARNING & CARE COUNCIL OF AUSTRALIA, AUSTRALIAN CHILD CARE ALLIANCE AND AUSTRALIAN CHILDREN'S COMMUNITY SERVICES**

- 1. All children have access to affordable, high quality play based early learning for at least two days per week in the two years before formal schooling, in the setting that suits family needs**

The Morrison Government will provide more than \$440 million for preschool in 2019 and over \$450 million in 2020, under the National Partnership with states and territories on Universal Access to Early Childhood Education. The extension will ensure that almost 350,000 children in Australia have access to 15 hours of quality early learning a week, or 600 hours a year, in the year before school.

This extension takes overall investment in preschool to \$2.8 billion since being elected. This year's Budget also includes funding to develop and implement strategies to increase preschool attendance rates amongst vulnerable, disadvantaged and Indigenous four year old children.

For too long, state and territory governments have conflated enrolment with attendance. Data shows that nearly 30 per cent of 4 year olds who are funded and entitled to 15 hours of preschool a week do not attend for the 15 hours a week. This non-attendance rate is higher when we look at vulnerable, disadvantaged (34 per cent) and Indigenous children (41 per cent).

The Morrison Government recognises that those attending the least have the most to gain and we have allocated funding to develop and implement strategies to address these attendance concerns (including working with The Smith Family).

The Government will also undertake a review of the preschool National Partnership so that ongoing funding is set up to achieve the best preschool outcomes.

We are focussing on working with states and territories on future arrangements to lift preschool participation rates amongst four year olds, especially amongst disadvantaged and Indigenous children who have the most to gain. We want to do the work necessary to get the existing policy for four year olds right before we roll the same policy over for three year olds.

- 2. Ensure that children experiencing vulnerability or disadvantage are able to fully participate in early learning and receive the support that they need**

As mentioned above, the Morrison Government has set aside funding in 2019-20 to examine the low attendance rates amongst vulnerable, disadvantaged and Indigenous children in the preschool year.

Further, the Coalition Government's new child care package includes a Child Care Safety Net which is designed to support children and families who require some extra help. The Additional Child Care Subsidy (ACCS) provides approved parents 120 per cent of the hourly rate cap in order to ensure there is no out of pocket costs for these families, regardless of their activity.

As you are aware, this includes families who receive ACCS for "child wellbeing" reasons, as well as grandparents (on income support who are the principal carers of their grandchildren) and those experiencing temporary financial hardship. Families can also receive a higher subsidy when transitioning to work, comprising 95 per cent of the hourly rate cap.

### **3. Develop, implement and evaluate a strategic vision and action plan to implement a ten year National Early Childhood Education Workforce Strategy (2019-2029) that builds a stable quality early years workforce**

The Morrison Government understands and appreciates the important role performed by all early childhood educators caring for and educating young Australians.

The Coalition has already engaged with the Education Council on workforce development strategies and the *Australian Children's Education and Care Quality Authority (ACECQA)* is already underway in scoping and developing these workforce matters in 2019.

### **4. Continued support to raise the quality of early learning and early childhood policies**

The early years learning framework (EYLF) was introduced as part of the *National Quality Framework (NQF)*. It sets out the principles, practices and outcomes that support and enhance young children's learning from birth to five years of age, as well as their transition to school. It was developed by the Commonwealth and state and territory governments with input from the early childhood sector and early childhood academics. The EYLF has been designed so that early childhood services are able to develop their own strategies to implement their objectives.

The NQF is now embedded in the sector and is operating on a business as usual basis. The Morrison Government is fully funding the *Australian Children's Education and Care Quality Authority (ACECQA)* to around \$13.5 million a year so that it can continue to assist all governments and the sector to produce quality outcomes for children. ACECQA will continue to work with state and territory regulatory authorities to support quality service delivery. ACECQA will remain as an independent statutory body, with their functions, powers and governance arrangements regulated under the National Law. The Education Council will continue to guide ACECQA and its independent board, with a statement of expectations agreed on by all jurisdictions.

State and territory governments remain responsible for approving and regulating early childhood education and care services as well as administration and compliance around the NQF.

The Coalition has removed more than \$2 billion in non-compliant and fraudulent activity, thereby increasing the integrity and quality of the family day care sector for providers and for families.

## **5. Improve Child Care Subsidy to support all children to access early learning**

The 2019-20 Budget provides a record \$8.6 billion for child care. Our child care reforms have made child care more affordable, with nearly one million families reaping the benefits. We abolished the annual subsidy cap for more than 80 per cent of families, allowing them to work as many days as they choose without losing their child care subsidy when they hit the cap.

We increased the subsidy rate for low and middle income families and aligned subsidy hours with the hours parents work, train, study or volunteer. It means that more parents are getting the hours they pay for and the hours they need. A typical family is around \$1,300 better off each year.

The new child care package also includes a number of activity test exemptions to ensure that vulnerable and disadvantaged children can access subsidised child care. There are also exemptions for individuals who legitimately cannot meet the activity test requirements, such as parents with disability and carers.

Families earning \$66,958 or less a year are eligible for 12 hours per week of subsidised care for all their children, at the highest 85 per cent rate of subsidy. While families only need to work, train, study or volunteer for four hours a week in order to meet the activity test, these families are exempted to ensure that their children receive two days a week of early childhood education and care. It has been particularly pleasing to see early childhood centres adjust their sessions of care to accommodate six hour sessions for these families.

Parents with a preschool aged child (in the year before school) attending a preschool session at a centre-based day care service are exempt from the activity test for that child. These parents are entitled to 36 hours of Child Care Subsidy per fortnight for their preschool aged child (at the applicable family rate), whether they meet the activity test or not.

The child care package was implemented on 2 July 2018 and was designed to place downward pressure on fees via the hourly rate caps and principle of co-payment. As a result out-of-pocket costs for families have decreased by 9 per cent since the package was introduced.