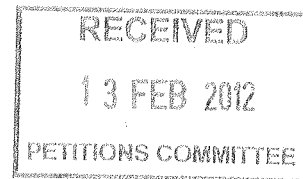




The Hon Kate Ellis MP
Minister for Employment Participation
Minister for Early Childhood and Child Care



The Hon John Murphy MP
Chair
Standing Committee on Petitions
Parliament House
CANBERRA ACT 2600

7 FEB 2012

Dear Mr Murphy

Thank you for your letter of 15 December 2011, concerning a petition to the Speaker and Members of the House to delay implementation of the National Quality Framework for early childhood education and care (NQF).

The NQF was agreed by the Council of Australian Governments (COAG) on 9 December 2009, and is the subject of the National Partnership on the National Quality Agenda for Early Childhood Education and Care. Since the COAG announcement, all Australian governments have been working in cooperation with the early childhood sector to implement the NQF in accordance with the National Partnership Agreement.

Research shows that a child's experience in their first five years sets the course for the rest of their life. In recognition of this, key aspects of the NQF will include:

- improved educator-to-child ratios so each child receives the individual attention they need;
- improved national qualification requirements for early childhood education and care educators so staff can lead play and activities that help children learn and develop; and
- a quality ratings system, so families can easily compare the quality of different education and care services and make informed decisions about the best care for their children.

The National Quality Framework took effect on 1 January 2012 under an applied laws system comprising the *Education and Care Services National Law* and *Education and Care Services National Regulations*. Under the applied law system, a host jurisdiction (in this case Victoria) passed the law (the *Education and Care Service National Law Act 2010*) and other jurisdictions adopted that law or passed corresponding legislation. All jurisdictions, with the exception of Western Australia, passed the legislation by late 2011. The legislation is expected to pass through the Western Australian parliament in early 2012.

A priority for all governments has been to minimise the cost impact to families from any changes resulting from the implementation of the National Quality Framework. With this in mind, governments decided to introduce the changes to educator-to-child ratios and qualification requirements gradually.

Independent modelling found the average out-of-pocket cost increase for a family on \$80 000 would be \$8.67 per week by 2014–15 for one child who attends full-time long day care. This is in line with findings of some major providers who have indicated that many centres will have no cost increase.

The first change in ratios, which took effect on 1 January 2012, brought all states and territories to a nationally consistent educator to child ratio of 1:4 for children aged birth to 24 months. All services in New South Wales and Western Australia, along with many services in Victoria and Queensland, already met the 1:4 ratio under previous state regulations.

Further changes to adopt nationally consistent ratios of one adult for every five children aged 25 to 35 months and one adult educator for every 11 children aged 36 months to school age will come into effect on 1 January 2016.

New qualification requirements will also be introduced that will require all adults working with children to have at least a Certificate III qualification in Children's Services, with half of all adults working with children to have a relevant Diploma level qualification. All services will also be required to have an early childhood teacher in attendance while there are children present at the service. These improved qualification requirements will take effect from 1 January 2014.

On 8 January 2011, I released the latest edition of the Australian Government's *Child Care Update* publication, which shows that more than 950 000 children were using early childhood education and care services in March 2011, which is up 8.2 per cent on the previous year.

The report also shows that the proportion of the family budget being spent on child care has decreased significantly across the income spectrum under the current Government as a result of increased subsidies. In 2004, the out-of-pocket costs for a family with one child in long day care and earning \$55 000 a year were 13.2 per cent of their disposable income. In 2008, the Government increased the Child Care Rebate payment from 30 to 50 per cent, so that Australian families would receive more much needed assistance to meet the costs of child care. As a result, by 2011 the proportion of disposable income in the example above had declined to just 7.5 per cent.

Over the next four years, the Government is providing \$18.1 billion to assist Australian families with the cost of child care through Child Care Benefit and Child Care Rebate. The Government will continue to work with service providers to ensure that quality child care remains affordable and accessible for all families.

Yours sincerely

Kate Ellis