



THE HON JULIA GILLARD MP
DEPUTY PRIME MINISTER

Parliament House
Canberra ACT 2600

- 2 DEC 2008

Mrs Julia Irwin MP
Chair
Standing Committee on Petitions
Parliament House
CANBERRA ACT 2600

Dear Mrs Irwin

Thank you for your letter of 19 September 2008, referring a petition from residents of New South Wales requesting action on not-for-profit community based preschools in NSW. I apologise for the delay in responding.

A key element of the Australian Government's ambitious and wide-ranging reform agenda for early childhood education and child care is our commitment to quality, early childhood education for all children.

Under our commitment, by 2013 every child will have access to a quality, affordable early childhood education program. The program will be delivered by a university-trained, early childhood teacher for 15 hours a week, 40 weeks a year, in the year before formal schooling, and through a diversity of settings including community-based preschool. To achieve this goal, the Government has committed \$520 million over the next four years, increasing to \$450 million per year when fully implemented.

Universal access funding will be distributed through states and territories as part of the Government's reform agenda under the auspices of the Council of Australian Governments. Each state and territory has been asked to develop a strategy to achieve universal access to early childhood education in consultation with the non-government and not-for-profit sector and other key stakeholders. It is proposed that a roundtable discussion about the strategy in NSW be held later this year.

As a first step to improve access to preschool, the Government is contributing \$2.5 million to fund two projects being delivered in partnership with the NSW Government. The first project, Preschool Access for Indigenous Families, invests \$2 million to increase funding to 35 NSW community preschools to reduce or remove barriers to preschool access, particularly for Indigenous children from low income families, and children from culturally and linguistically diverse backgrounds. Under the second project, Building Strong Connections, the Government is contributing \$500 000 for 21 NSW Department of Education and Training preschools to undertake a local needs analysis to enable them to develop plans and engagement strategies to increase the attendance of Indigenous children. These projects will inform long-term planning and development of the NSW strategy.

As you would be aware, the delivery and regulation of preschool is a state government responsibility. I understand that as part of the NSW Government's Preschool Investment Reform Plan announced in May 2006, an additional \$85.5 million over five years is being invested to improve affordability and access to preschool in NSW. Of this, \$25.9 million has been provided to over 500 community based preschools. The NSW plan includes a new funding model which better targets funding to support preschool participation by children from disadvantaged backgrounds and communities.

On the issue of preschool enrolments, the Productivity Commission *Report on Government Services 2008* suggests that NSW has one of the lowest preschool participation rates at 64.6 per cent, compared to 87.2 per cent nationally.

In relation to the petitioners' request that the Government extend the Child Care Tax Rebate (CCTR) to preschools, it is important to clarify the distinction between registered care for CCB and approved care for CCB/CCTR. The Government provides assistance to families for two types of child care:

- Registered child care—care that is for work related purposes provided by grandparents, relatives, friends, nannies, and individuals in some preschools and kindergartens. Registered care can only be provided by an individual who is registered with the Family Assistance Office. An individual cannot become a registered carer if they operate an approved child care service or provide child care under a contract with an approved Family Day Care scheme
- Approved child care—Long Day Care, Family Day Care and Outside School Hours services that have participated in the CCB approvals process.

Families using registered child care may be eligible for the registered care rate of CCB per child if both parents are working, training or studying, but they cannot receive CCTR. Preschool workers can apply to become registered carers to enable parents to claim the registered rate of CCB. The higher rate of CCB is available for approved child care because it must meet additional requirements and CCTR is linked to this process. These requirements include those listed below. Families using approved care may receive up to the maximum rate of CCB per child and, provided both parents are working, training or studying, they may also be eligible for the CCTR. Preschools, therefore, can apply to become approved services if they:

- operate eight or more hours per day from Monday to Friday
- operate for 48 weeks per year
- participate in the Government's quality assurance program
- meet state and territory regulations.

These requirements are in place so that more Government assistance is directed to child care services that meet the needs of working families and can guarantee a quality service.

I trust my comments are of assistance to the Standing Committee on Petitions and the petitioners of NSW.

~~Yours sincerely~~

~~Julia Gillard~~
Minister for Education