



Report tabled on Early Years Quality Fund

Parliament's Public Accounts Committee today presented its report on ANAO Report No. 23 from 2014-15 on the *Administration of the Early Years Quality Fund*. Committee Chair, the Hon Ian Macfarlane MP, said that the Committee's scrutiny of the EYQF had raised a number of important issues.

"The level of funding available under the EYQF, which was estimated to only cover around 30 per cent of all long day care workers, meant that the program would most likely be oversubscribed. In the event, the \$300 million funding cap was reached less than 13 hours after the application process commenced".

By close of business on 6 September 2013, the day before the Federal election, funding agreements had been sent to one large provider, Goodstart Early Learning, for \$132 million, and 15 small providers, for a total of \$5 million. Goodstart's CEO was on the EYQF Advisory Board, and Goodstart was the first large provider to lodge a completed application and received the largest allocation of EYQF funding—96% of the \$137 million allocated to all providers.

"Key risks evident in the program's design—in particular, the first-in first-served approach—were compounded by inadequacies in the department's subsequent administration of the program. The Committee also raised a number of probity and transparency matters concerning the EYQF," Mr Macfarlane said.

The Committee's report includes recommendations directed at:

- the Department of Education and Training to: report back to the Committee on its progress implementing the ANAO recommendations
- the Department of Finance to: amend the Commonwealth Grants Rules and Guidelines to explicitly refer to the implementation risks of a 'first-in first-served' approach, and specify that officials better document program implementation risks
- the Department of Prime Minister and Cabinet to: update its Guidance on Caretaker Conventions to clarify what constitutes 'appropriate consultation' with the Opposition before elections
- the ANAO to: conduct a follow-up audit of the effectiveness of grants program administration by the Department of Education and Training; provide a clear statement on probity matters in its reports; and expand its *Implementing Better Practice Grants Administration* guide to further set out Commonwealth probity principles

The EYQF was established in July 2013 to provide grants to long day care providers in order to supplement wage increases for childcare workers for a period of two years. The EYQF was ceased in late 2013 and replaced with an alternative program.

Copies of the report and further information about the inquiry can be accessed via the Committee's website at: www.aph.gov.au/jcpaa.

For media comment: please contact Committee Chair's office on (02) 6277 4988 (Will Rollo)

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