

**Senate Standing Committee on Education Employment and Workplace  
Relations**

**QUESTIONS ON NOTICE  
Budget Estimates 2011-2012**

**Outcome 1 - Early Childhood**

**DEEWR Question No.EW0189\_12**

**Senator Nash provided in writing.**

**Question**

***Program 1.3 NQF***

***Costs and shortages***

1. Has any research been done by DEEWR to determine the administrative costs of the NQF? 2011 Child Care & Workforce Participation Survey has revealed that a quarter of working mothers (24%) believe working simply isn't viable, based on the high cost of child care.
2. Has the Department heard of child care centres who will be reducing the number of 0-2 year old places they have, based on the National Quality Framework?  
If not, can the Department see why the staff ratios could cause significant problems for some centres- say for example where they currently have 10 places for 0-2 year olds, with 2 staff. If they want to keep 10 baby places, then they will need an additional staff member, under the NQF. Surely this could cause a shortage of 0-2 year old places?
3. What other services is the government going to provide for children at risk and vulnerable families if they are no longer able to attend an early learning service due to financial burden on their families?

**Answer**

1. In 2009 DEEWR engaged Access Economics on behalf of the Council of Australian Governments to undertake modelling of the regulatory costs and benefits associated with implementing the National Quality Framework. The model was developed in close consultation with state and territory governments and the early childhood sector. The results were published on the COAG website in December 2009 in the Decision Regulation Impact Statement for Early Childhood Education and Care.
2. The Department understands that child care centres are adapting to the changes in educator to child ratios agreed in the National Quality Standard in ways that best suit them. This is consistent with a market-based approach where each service determines its own business plan to ensure financial viability given the combination of government funding and parent fees they expect to receive.

The proposed changes to educator-to-child ratios under the new National Quality Standard were announced by the Council of Australian Governments (COAG) in December 2009 to provide advanced notice to the sector. For children aged birth to 24 months, the new ratio takes effect on 1 January 2012. In some states and

territories, the educator-to-child ratios under the National Quality Standard do not vary from current licensing requirements in that state or territory. For example, services in Victoria, New South Wales, Queensland, South Australia and Western Australia are already required to operate with an educator-to-child ratio of 1:4 for groups of children aged birth to 24 months. For other jurisdictions, the Decision Regulation Impact Statement noted that up to 1/3 of services had voluntarily adopted the 1:4 ratio for birth to 24 months.

In New South Wales a commitment was made prior to the COAG agreement to move the ratio for children aged birth to 24 months from 1:5 to 1:4 from 1 January 2011 (ie, a year earlier than required under the COAG agreement). This was announced in October 2008, so again services were provided with advanced notice of the change to give them time to adjust.

3. The Government will invest \$20 billion over the next four years to improve the quality, affordability and accessibility of early childhood education and child care.

The Government is providing \$16.4 billion to assist around 800 000 Australian families annually with the cost of child care through Child Care Benefit and Child Care Rebate. This includes \$9.2 billion over four years to reduce child care fees under the child care benefit and \$7.2 billion to assist working families with out-of-pocket child care costs under the Child Care Rebate.

The Australian Government provides support to services through the Inclusion Support Subsidy (ISS). The ISS, an element of the Inclusion and Professional Support Program (IPSP), aims to build the capacity of eligible child care services to assist them to provide programs that are inclusive of all children. The ISS is a contribution paid to child care services to increase the staff-to-child ratio over and above the licensing requirements, so children with ongoing high support needs can be cared for in environments with typically developing peers. In addition to the ISS, the IPSP can also assist child care services with access to specialist equipment, bicultural support and professional development and support.