

**EXAMINATION OF THE AUDITOR-GENERAL'S
PERFORMANCE AUDIT REPORTS FEBRUARY 2016
– SEPTEMBER 2016**

Organisation: Department of Education

Name: Mr Mark Scott AO

Date Received: 16 June 2017

Mr Bruce Notley-Smith
Chair
Legislative Assembly Public Accounts Committee
Parliament of New South Wales
Macquarie Street
SYDNEY NSW 2000

DGL17/510

Dear Mr Notley-Smith

Thank you for your letter of 26 May 2017 requesting the Department of Education provide a response to recommendations of the 2016 Auditor-General's report *Early Childhood Education* (your reference: D17/15449).

Following the report's release, the department actively sought to address each of the recommendations as a matter of urgency. I am pleased to advise that two of the three recommendations have been successfully completed, and the last recommendation is on track.

The department's response to each of the recommendations, along with their current status, is attached.

In response to your request for feedback on the audit process, I can advise that the department welcomed the Performance Audit as a helpful opportunity to reflect on and improve the process of implementation of the National Quality Framework and funding reforms.

Thank you for the opportunity to provide the Public Accounts Committee with this update and feedback on the audit process.

Yours sincerely



Mark Scott AO
SECRETARY
DEPARTMENT OF EDUCATION

17 June 2017

IMPLEMENTATION OF RECOMMENDATIONS

Department of Education

Early Childhood Education

RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
<p>1 Develop a new strategy which better targets funding to the achievement of the government's universal access objective. The strategy should:</p> <ul style="list-style-type: none"> • Build on the work of the 2012 Ministerial review • Include a rationale for the funding split between service delivery models • Target funding to children in the year before school enrolled for at least 600 hours per year and disadvantaged children in the two years before school, unless there are exceptional circumstances • Promote improved data quality to underpin evidence-based decision-making. 	ACCEPTED	Implementation of Start Strong	30/06/2017	Completed	Early Childhood Education

2	<p>Further improve efficiency of regulation by:</p> <ul style="list-style-type: none"> Continuing work at the national level to reduce the complexity and resource-intensiveness of the National Quality Framework Using staff more flexibly to meet needs across the State Better targeting and utilising resources when its new technology is rolled out Providing incentives for early childhood education and care service providers to encourage early compliance with the National Quality Framework 	ACCEPTED	Implementation of National Law and regulatory changes following review and Decision Regulation Impact Statement.	30/06/2017	Completed	Early Childhood Education
3	<p>Cost its services so that it can effectively monitor and demonstrate it is regulating efficiently</p>	ACCEPTED	Work being undertaken as part of Early Childhood Policy Group (ECPG) project on establishing a nationally agreed efficient cost of regulation.	30/06/2017	On Track This work was delayed by the Commonwealth until now. It is currently being progressed nationally.	Early Childhood Education