



Secretary
Tony Cook PSM

The Hon Dr Jim Chalmers MP
Treasurer
Parliament House
Canberra ACT 2600

Senator the Hon Katy Gallagher
Minister for Finance
Parliament House
Canberra ACT 2600

Dear Treasurer and Minister

Thank you for your letter dated 4 July inviting the Department of Education to propose regulatory reform opportunities to bolster productivity growth.

The department does not have a significant regulatory role, with most regulatory functions in the early childhood education and care, schools and higher education systems undertaken by states and territories or independent statutory agencies. The small number of regulatory functions for which the department is responsible for focus on safety, quality and financial integrity.

In undertaking these functions, my department delivers on our legislative requirements while seeking to minimise inefficiencies. Given this, there are limited opportunities to adjust our approaches to regulation within existing legislative frameworks and resourcing.

However, various reforms are underway across my department that contribute to the government's goal of a better regulatory environment and I am pleased to share these with you to support discussions at the Economic Reform Roundtable.

You would be aware that a number of significant reforms are underway to strengthen quality and child safety in the early childhood education and care sector. For example, a new National Model Code for Early Childhood Education and Care was released in July 2024 to address child safe practices for the use of electronic devices while providing early childhood education and care. Mandatory reporting requirements and stronger protections around digital technology use will be introduced later this year, while child safety will be explicitly embedded into the National Quality Standard from 1 January 2026.

The Government is also exploring measures to strengthen integrity across the early childhood education and care sector in collaboration with state and territory governments. These will build on actions the government is taking through the recently introduced Early Childhood Education and Care (Strengthening Regulation of Early Education) Bill 2025.

The portfolio is pursuing reduced regulatory burden on the higher education sector through the implementation of the Australian Tertiary Education Commission (ATEC). Consistent with the Government's decision, the interim ATEC was established on 1 July 2025 and will be fully operational in 2026, subject to the passage of legislation.

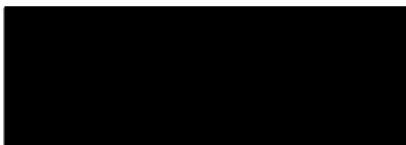
In the long-term, ATEC will promote national productivity by stewarding the tertiary education system to deliver quality education that meets the needs of the Australian economy and society. ATEC will help support a more joined-up tertiary education system by strengthening alignment between higher education and vocational education and training. Part of its role will be to monitor and minimise the regulatory burden on the sector, to ensure the sector operates efficiently and in the national interest.

I also note the department is working with the Tertiary Education Quality and Standards Agency (TEQSA) to progress activities to support dual-sector regulatory streamlining, and other opportunities for regulatory reduction arising from the implementation of ATEC.

To further support efficiencies in the payment systems for schools and higher education providers, my department is progressing the Education Funding System Project. This project will deliver a new technology platform that improves the way we administer funding to schools and higher education institutions. The modern, fit-for-purpose platform will support government to continue to make timely and accurate payments, strengthen security, and reduce administrative burden for schools and higher education providers.

These reforms are intended to complement the proposed productivity initiatives my department has provided to Treasury on behalf of Minister Clare in response to your letter dated 27 June.

Yours sincerely



Tony Cook

30 July 2025