

Expansion of the Joint Compliance and Monitoring Program (JCMP)

FEDERATION FUNDING AGREEMENT – EDUCATION AND SKILLS

Table 1: Formalities and operation of schedule

Parties	<p>Commonwealth New South Wales (NSW) Victoria (VIC) Queensland (QLD) Western Australia (WA) South Australia (SA) Tasmania (TAS) The Australian Capital Territory (ACT) The Northern Territory (NT)</p>
Duration	<p>This Schedule is expected to expire on 30 June 2029 or on completion of the initiatives, including final performance reporting and processing of final payments against milestones.</p>
Purpose	<p>The Australian Government is expanding the Child Care Subsidy Reform – Additional Integrity Measure - Leveraging the Child Care Subsidy to Uplift ECEC Safety and Quality - to protect the integrity of the Cheaper Child Care Budget initiative by addressing fraud and non-compliance risks. A central component of this is the expansion is the Joint Compliance Monitoring Program (JCMP)—a collaborative initiative between the Commonwealth and ALL State and Territory Regulatory Authorities (STRAs) and independent state-based regulators to strengthen regulatory oversight and streamline compliance processes across jurisdictions.</p> <p>JCMP is a joint activity; the Commonwealth does not pay States or Territories to deliver a service. Instead, funding supports shared compliance operations and capacity building to safeguard the integrity of the Cheaper Child Care Budget initiative.</p> <p>This schedule will ensure transparency and accountability in funding and align with broader reform objectives under the Cheaper Child Care initiative.</p> <p>JCMP allows all STRAs and independent state-based regulators to contribute to joint compliance investigations and activities that aim to deliver significant savings and improve quality, safety, and payment integrity across the ECEC sector. Under previous funding arrangements, not all STRAs were scheduled to participate in JCMP until 2028. This new funding arrangement allows for the immediate expansion to ALL STRAs and independent state-based regulators within the 2025/26 year.</p>

This expansion includes the allocation of increased funding to each STRA and independent state-based regulator, in recognition of their proactive engagement and commitment to a coordinated compliance approach.

The expansion supports a unified and scalable compliance model, underpinned by a growing pipeline of investigations aligned with the JCMP framework.

Estimated financial contributions

The Commonwealth will provide an estimated total financial contribution to the States of \$22.32 million in respect of this Schedule.

Table 1					
(\$ million)	2025-26	2026-27	2027-28	2028-29	Total
Estimated total budget	4.98	5.78	5.78	5.78	22.32
<i>Less estimated National Partnership Payments</i>	4.98	5.78	5.78	5.78	22.32
- NSW	0.85	0.85	0.85	0.85	3.40
- VIC	0.85	0.85	0.85	0.85	3.40
- QLD	0.62	0.68	0.68	0.68	2.66
- WA	0.40	0.68	0.68	0.68	2.44
- SA	0.62	0.68	0.68	0.68	2.66
- TAS	0.62	0.68	0.68	0.68	2.66
- ACT	0.40	0.68	0.68	0.68	2.44
- NT	0.62	0.68	0.68	0.68	2.66
Balance of non-Commonwealth contributions	0.0	0.0	0.0	0.0	0.0

Additional terms

Under JCMP, all parties will contribute to joint compliance investigations and activities that aim to deliver significant savings and improve quality, safety, and payment integrity across the ECEC sector.

Role of the Parties

The Department of Education will engage the expertise and services of STRAs and independent state-based regulators to co-deliver JCMP.

STRAs and independent state-based regulators are expected to participate in and contribute to the following key deliverables:

- Joint operational compliance activities to enhance efficiency, reduce duplication, and apply appropriate regulatory responses to high-risk providers.
- Expanded data sharing and intelligence capabilities to detect fraud and non-compliance, improve targeting, and support joint investigations.
- Provision of information and resources to the Department of Education, including but not limited to:
 - Lists of high-risk providers and services
 - Compliance history and data
 - Risk profiles and assessments
 - Intelligence assessments and analysis
 - Session data and educator information
 - Compliance correspondence
- Identification of opportunities for legislative or regulatory streamlining or harmonisation.
- Participation in formal evaluation of JCMP outcomes and benefits, including engagement with third-party evaluators and provision of relevant documentation.
- Contribution to the co-design of the joint operating model, leveraging JCMP activities to inform future approaches.
- Take appropriate and proportionate regulatory action where non-compliance is observed, including sanctions such as cancellation/suspension.
- Identify providers and services of joint risk:
 - Provide lists of high-risk providers or services at the JCMP Subcommittee meetings;
 - Analyse lists of high-risk providers or services identified by the Department of Education.
- Conduct jointly with Department of Education compliance investigation/activity for providers or services who have been identified as sharing high risk indicators.

Sub-committee meetings

- States will be required to attend regular meetings (monthly, ad hoc or as agreed) and discuss performance, risks, and strategic alignment as well as high-risk providers.

Reporting

Milestone 1

Endorsement of the Joint Committee Monitoring Program Terms of Reference will be provided by each State and Territory. Endorsement by each Regulatory Authority means agreeing the purpose of the Committee is to:

- Facilitate national collaboration on regulatory priorities and compliance activities.
- Enable intelligence sharing and alignment of compliance responses across jurisdictions.
- Strengthen system-wide integrity, safety, and risk-management approaches.
- Support collective regulatory action on high-risk and multi-state providers.
- Consolidate and guide joint compliance work occurring across states and territories.

Reporting period ends as at 31 March each year to allow for reports to be prepared, finalised and sent to the department by 30 April each year.

Reports will be due in accordance with the following schedule:

Milestone 2

- Report 1 due on or before 30 April 2027 covering the period from date this Schedule is executed to 31 March 2027.

Milestone 3

- Report 2 due on or before 30 April 2028 covering period 1 April 2027 to 31 March 2028.

Milestone 4

- Report 3 due on or before 30 April 2029 covering period 1 April 2028 to 31 March 2029

Agreed Metrics

For Milestones 2, 3 and 4

These following metrics will be circulated for agreement by the Committee on or before 30 April 2026.

To measure timeliness, demonstrate the efficiency of triage processes and decision making

- outline the time of case identification to committee endorsement.
- providing number of working days between STRA/Commonwealth identifying a risk and the Committee endorsing a joint activity.
- providing number of intel requests that led to joint investigations.

To measure compliance action, demonstrate workload and collaboration by

- providing number of joint investigations endorsed each quarter.
- providing number of joint compliance actions completed each quarter
- providing number of notices, conditions, sanctions, rectifications, site visits each quarter.
- providing number of requests for information made by either the AG or STRAs relating to joint activities.

To measure resolution of joint activities

- provide percentage of joint cases closed in the quarter
- provide total number of joint cases processed (closed and ongoing) in the quarter.

To measure effectiveness of compliance outcomes, show

	<ul style="list-style-type: none">• percentage of cases identifying non-compliance that required further action.• percentage of required rectifications completed within mandated time.• Percentage of providers who have fewer repeated offences recorded within 12 months (at the same service)

Table 2A: New South Wales (NSW) Performance requirements, reporting and payment summary			
Output	Performance milestones	Due	Payment
Terms of Reference	Milestone 1 Endorsement by NSW of the Joint Committee Monitoring Program Terms of Reference outlining the functions of the Committee	30 April 2026	\$850,000
Report on information sharing.	Milestones 2, 3 and 4 Commonwealth acceptance that NSW produced a yearly JCMP Report covering: <ul style="list-style-type: none"> o JCMP case activity: number of cases initiated, progress status, and outcomes. o Performance against agreed metrics: timeliness, compliance actions, and resolution rates. <ul style="list-style-type: none"> ▪ Timeliness can be shown by demonstrating the efficiency of the triage process and the efficiency in decision making. ▪ Compliance action can be demonstrated by measuring number of cases and the impact of their outcomes. ▪ Resolution can be demonstrated by measuring productivity, outcomes and changes in behaviour. o Incident and deviation reporting: any breaches, delays, or systemic issues identified. 	30 April 2027	\$850,000
		30 April 2028	\$850,000
		30 April 2029	\$850,000

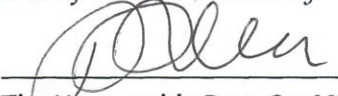
The Parties have confirmed their commitment to this schedule as follows:

Signed for and on behalf of the Commonwealth of Australia by



The Honourable Jason Clare MP
Minister for Education
March 2026
3/6/26

Signed for and on behalf of the State of New South Wales by




The Honourable Prue Car MP
Minister for Education and Early Learning
18/6/26

Table 2D: Western Australia (WA) Performance requirements, reporting and payment summary			
Output	Performance milestones	Due	Payment
Terms of Reference	<p>Milestone 1</p> <p>Endorsement by WA of the Joint Committee Monitoring Program Terms of Reference outlining the functions of the Committee</p>	30 April 2026	\$400,000
Report on information sharing.	<p>Milestones 2, 3 and 4</p> <p>Commonwealth acceptance that WA produced a yearly JCMP Report covering:</p> <ul style="list-style-type: none"> ○ JCMP case activity: number of cases initiated, progress status, and outcomes. ○ Performance against agreed metrics: timeliness, compliance actions, and resolution rates. <ul style="list-style-type: none"> ▪ Timeliness can be shown by demonstrating the efficiency of the triage process and the efficiency in decision making. ▪ Compliance action can be demonstrated by measuring number of cases and the impact of their outcomes. ▪ Resolution can be demonstrated by measuring productivity, outcomes and changes in behaviour. ○ Incident and deviation reporting: any breaches, delays, or systemic issues identified. 	<p>30 April 2027</p> <p>30 April 2028</p> <p>30 April 2029</p>	<p>\$680,000</p> <p>\$680,000</p> <p>\$680,000</p>

The Parties have confirmed their commitment to this schedule as follows:

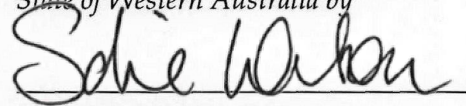
Signed for and on behalf of the Commonwealth of Australia by



 The Honourable Jason Clare MP
 Minister for Education

3/16/2026

Signed for and on behalf of the State of Western Australia by



 Ms Sabine Winton MLA
 Minister for Education

11 June 2026

Table 2E: South Australia (SA) Performance requirements, reporting and payment summary			
Output	Performance milestones	Due	Payment
Terms of Reference	<p>Milestone 1</p> <p>Endorsement by SA of the Joint Committee Monitoring Program Terms of Reference outlining the functions of the Committee</p>	30 April 2026	\$620,000
Report on information sharing.	<p>Milestones 2, 3 and 4</p> <p>Commonwealth acceptance that SA produced a yearly JCMP Report covering:</p> <ul style="list-style-type: none"> ○ JCMP case activity: number of cases initiated, progress status, and outcomes. ○ Performance against agreed metrics: timeliness, compliance actions, and resolution rates. <ul style="list-style-type: none"> ▪ Timeliness can be shown by demonstrating the efficiency of the triage process and the efficiency in decision making. ▪ Compliance action can be demonstrated by measuring number of cases and the impact of their outcomes. ▪ Resolution can be demonstrated by measuring productivity, outcomes and changes in behaviour. ○ Incident and deviation reporting: any breaches, delays, or systemic issues identified. 	<p>30 April 2027</p> <p>30 April 2028</p> <p>30 April 2029</p>	<p>\$680,000</p> <p>\$680,000</p> <p>\$680,000</p>

The Parties have confirmed their commitment to this schedule as follows:


Signed for and on behalf of the Commonwealth of Australia by



 The Honourable Jason Clare MP
 Minister for Education

3/6/2026

Signed for and on behalf of the State of South Australia by



 The Honourable Lucy Hood MP
 Minister for Education, Training and Skills

17/6/2026

Table 2F: Tasmania (TAS) Performance requirements, reporting and payment summary			
Output	Performance milestones	Due	Payment
Terms of Reference	Milestone 1 Endorsement by TAS of the Joint Committee Monitoring Program Terms of Reference outlining the functions of the Committee	30 April 2026	\$620,000
Report on information sharing.	Milestones 2, 3 and 4 Commonwealth acceptance that TAS produced a yearly JCMP Report covering: <ul style="list-style-type: none"> ○ JCMP case activity: number of cases initiated, progress status, and outcomes. ○ Performance against agreed metrics: timeliness, compliance actions, and resolution rates. <ul style="list-style-type: none"> ▪ Timeliness can be shown by demonstrating the efficiency of the triage process and the efficiency in decision making. ▪ Compliance action can be demonstrated by measuring number of cases and the impact of their outcomes. ▪ Resolution can be demonstrated by measuring productivity, outcomes and changes in behaviour. ○ Incident and deviation reporting: any breaches, delays, or systemic issues identified. 	30 April 2027 30 April 2028 30 April 2029	\$680,000 \$680,000 \$680,000

The Parties have confirmed their commitment to this schedule as follows:

Signed for and on behalf of the Commonwealth of Australia by

The Honourable Jason Clare MP
 Minister for Education

3/6/2026

Signed for and on behalf of the State of Tasmania by

The Honourable Jo Palmer MLC
 Minister for Education

18/06/2026

Table 2G: Australian Capital Territory (ACT) Performance requirements, reporting and payment summary			
Output	Performance milestones	Due	Payment
Terms of Reference	Milestone 1 Endorsement by ACT of the Joint Committee Monitoring Program Terms of Reference outlining the functions of the Committee	30 April 2026	\$400,000
Report on information sharing.	Milestones 2, 3 and 4 Commonwealth acceptance that ACT produced a yearly JCMP Report covering: <ul style="list-style-type: none"> ○ JCMP case activity: number of cases initiated, progress status, and outcomes. ○ Performance against agreed metrics: timeliness, compliance actions, and resolution rates. <ul style="list-style-type: none"> ▪ Timeliness can be shown by demonstrating the efficiency of the triage process and the efficiency in decision making. ▪ Compliance action can be demonstrated by measuring number of cases and the impact of their outcomes. ▪ Resolution can be demonstrated by measuring productivity, outcomes and changes in behaviour. ○ Incident and deviation reporting: any breaches, delays, or systemic issues identified. 	30 April 2027	\$680,000
		30 April 2028	\$680,000
		30 April 2029	\$680,000

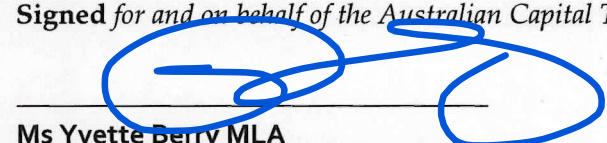
The Parties have confirmed their commitment to this schedule as follows:

Signed for and on behalf of the Commonwealth of Australia by

Signed for and on behalf of the Australian Capital Territory by



The Honourable Jason Clare MP
 Minister for Education



Ms Yvette Berry MLA
 Minister for Education and Early Childhood

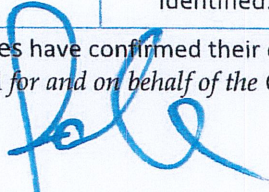
3/6/2026

16/06/ 2026

Table 2H: Northern Territory (NT) Performance requirements, reporting and payment summary			
Output	Performance milestones	Due	Payment
Terms of Reference	<p>Milestone 1</p> <p>Endorsement by NT of the Joint Committee Monitoring Program Terms of Reference outlining the functions of the Committee</p>	30 April 2026	\$620,000
Report on information sharing.	<p>Milestones 2, 3 and 4</p> <p>Commonwealth acceptance that NT produced a yearly JCMP Report covering:</p> <ul style="list-style-type: none"> ○ JCMP case activity: number of cases initiated, progress status, and outcomes. ○ Performance against agreed metrics: timeliness, compliance actions, and resolution rates. <ul style="list-style-type: none"> ▪ Timeliness can be shown by demonstrating the efficiency of the triage process and the efficiency in decision making. ▪ Compliance action can be demonstrated by measuring number of cases and the impact of their outcomes. ▪ Resolution can be demonstrated by measuring productivity, outcomes and changes in behaviour. ○ Incident and deviation reporting: any breaches, delays, or systemic issues identified. 	<p>30 April 2027</p> <p>30 April 2028</p> <p>30 April 2029</p>	<p>\$680,000</p> <p>\$680,000</p> <p>\$680,000</p>

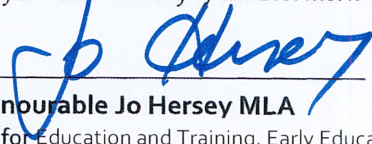
The Parties have confirmed their commitment to this schedule as follows:

Signed for and on behalf of the Commonwealth of Australia
by


The Honourable Jason Clare MP
Minister for Education

31/6/2026

Signed for and on behalf of the Northern Territory by


The Honourable Jo Hersey MLA
Minister for Education and Training, Early Education, and the Public Service

16 JUN 2026 2026